"It's Personal"

KNOW YOUR CUSTOMER FACILITY PLAN

GOLF2.0

NAME OF FACILITY: _____

PREPARED BY: _____

DATE: _____

GOLF 2.0
Growing the Game
Friends, Family, Fun!

We encourage you to use the **Know Your Customer Facility Plan** to inform and engage your employer and other key personnel about the facility's customer strategy to improve retention and drive further facility usage and spending from core customers.

To make the best use of this document, we recommend that you complete it by using the online tool and print out your Facility Plan only after you've keyed in all of your answers. Typing in your answers will give this document a polished look, which will signal your commitment to the customer when sharing your **Know Your Customer Facility Plan** with your co-workers and your employer.

Golf 2.0 recognizes the time constraints facing Professionals and operators. The **Know Your Customer Facility Plan** can serve as a high-level primer to help you get started with recommendations for "strengthening the core." While reviewing this primer, we encourage you to access the **Know Your Customer Playbook** to gain further information about the data provided here. Reviewing the **Playbook** is important; it will make you more knowledgeable and will best prepare you to improve your performance on the processes that you and your employer view to be priorities at your facility.

Visit Golf20.net to access the Playbook.

"THE TIME IS NOW TO GIVE OUR CORE PLAYERS MORE REASONS TO PARTICIPATE IN THE GAME. WE HAVE PLENTY OF NEW PLAYERS COMING THROUGH THE FRONT DOOR, BUT WE NEED TO STOP THE LEAK OF GOLFERS LEAVING THROUGH THE BACKDOOR."

ALLEN WRONOWSKI, PGA
PRESIDENT, THE PGA OF AMERICA

KNOW YOUR CUSTOMER 101

Golf 2.0 is an industry-wide strategic plan to grow the game that focuses on growing the number of golfers, rounds and revenues over the next decade. Do those sound like the main goals for you, your facility, staff, owners or board? They certainly should, and to reach those goals you must take a fresh look at how you market golf to existing and potential customers.
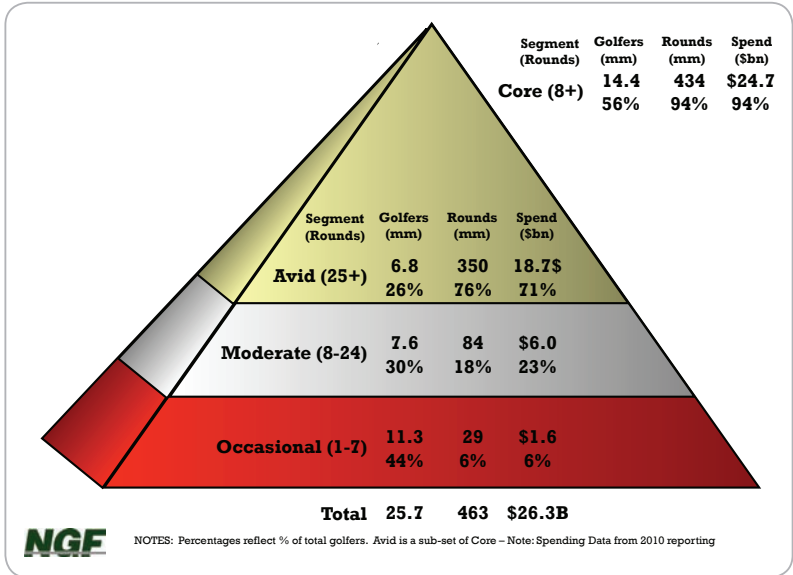
You should also know that becoming an expert marketer is a marathon, not a sprint. The **Know Your Customer Playbook** is a detailed roadmap to help you become a better marketer, but you don't need to master all of the suggested tactics and strategies listed in the **Playbook** TODAY. What is important is that you look to identify sections within this plan that apply to your operation and which can enhance your business.

The charts on the following pages illustrate the vital importance of retaining and strengthening the Core golfer. A Core golfer is defined as someone who plays eight or more rounds annually. Core golfers account for 94% of rounds and golf spending. Since 2005, the drop in the number of Core golfers has outpaced the drop in Occasional golfers by more than three to one (20% vs. 6%).
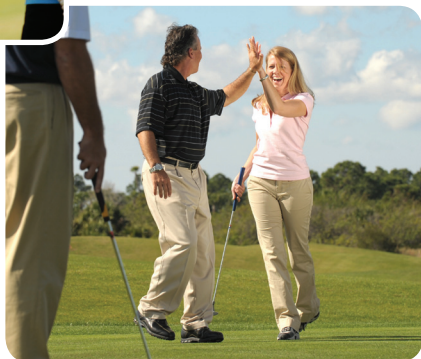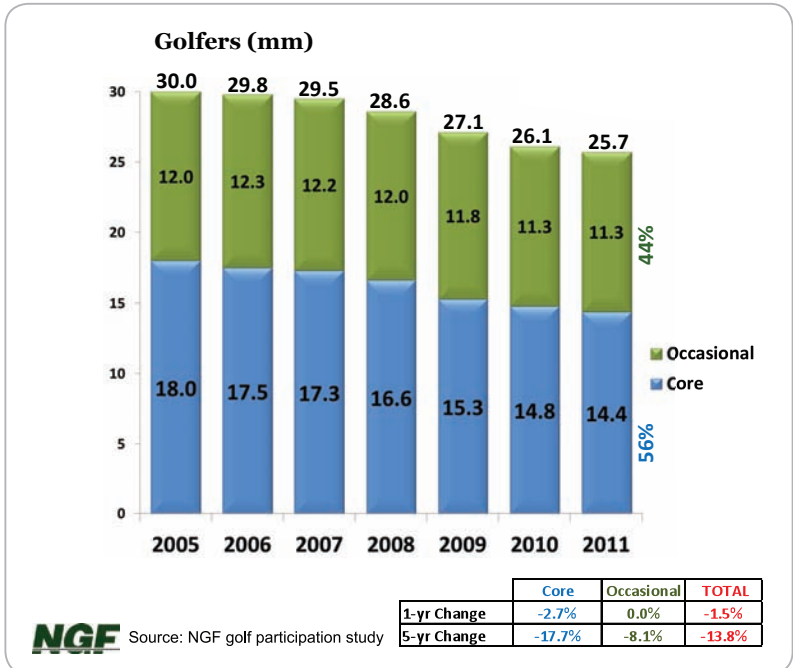
THE PYRAMID OF INFLUENCE

The Pyramid of Influence chart shows the power of the Core golfer. Core golfers represent 56% of all golfers and they account for 94% of rounds and golf spending. In the pyramid, Core golfers are comprised of both the Avid and Moderate segments.
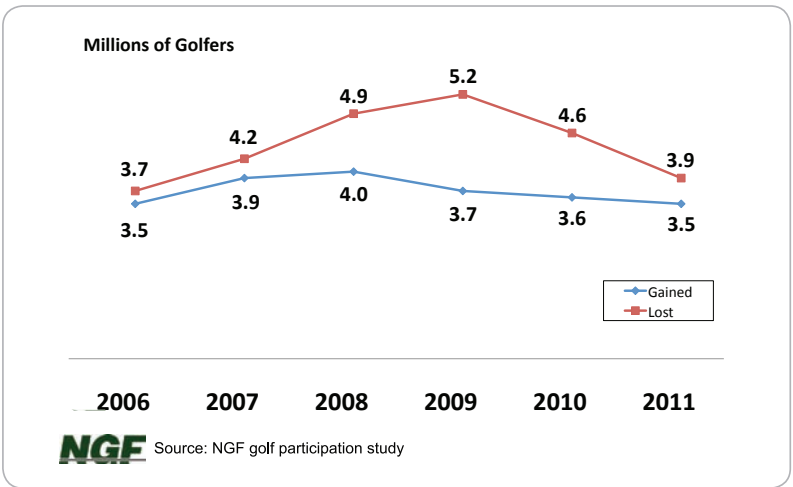
Segment (Rounds)	Golfers (mm)	Rounds (mm)	Spend ($bn)
Core (8+)	14.4 56%	434 94%	$24.7 94%

Segment (Rounds)	Golfers (mm)	Rounds (mm)	Spend ($bn)
Avid (25+)	6.8 26%	350 76%	18.7$ 71%
Moderate (8-24)	7.6 30%	84 18%	$6.0 23%
Occasional (1-7)	11.3 44%	29 6%	$1.6 6%
Total	25.7	463	$26.3B

NGF

NOTES: Percentages reflect % of total golfers. Avid is a sub-set of Core – Note: Spending Data from 2010 reporting

GOLFER TRENDS

The Golfer Trends chart shows the amount of golfers annually and a breakdown of Core and Occasional golfers.

Golfers (mm)

	2005	2006	2007	2008	2009	2010	2011
Total	30.0	29.8	29.5	28.6	27.1	26.1	25.7
Occasional	12.0	12.3	12.2	12.0	11.8	11.3	11.3 (44%)
Core	18.0	17.5	17.3	16.6	15.3	14.8	14.4 (56%)

■ Occasional ■ Core

NGF   Source: NGF golf participation study

	Core	Occasional	TOTAL
1-yr Change	-2.7%	0.0%	-1.5%
5-yr Change	-17.7%	-8.1%	-13.8%

PARTICIPANTS COMING INTO AND LEAVING THE GAME

Every year there are new people who play golf and there are people who used to play golf who have, for a variety of reasons, given up the game. The chart below illustrates this inflow and outflow of golfer participants. For example, in 2006, 3.5 million new golfers were gained, as these people played a round, but these same people didn't play golf in 2005. Conversely, there were 3.7 million lost golfers in 2006, as these people played golf in 2005 but not in 2006. The net loss for 2006 was 200,000 golfers, which is reflected in the Golfer Trends chart on the previous page. That chart shows the overall golf participation in 2005 at 30 million golfers, but declining to 29.8 million golfers in 2006.

Millions of Golfers

	2006	2007	2008	2009	2010	2011
Gained	3.5	3.9	4.0	3.7	3.6	3.5
Lost	3.7	4.2	4.9	5.2	4.6	3.9

NGF Source: NGF golf participation study

HOW TO RETAIN AND STRENGTHEN THE CORE GOLFER AT YOUR FACILITY

The charts on the previous pages illuminate a significant problem facing the industry – the erosion of the Core golfer segment. This national trend has also been seen at the local level. The decline of golfers in the Core golfer segment has negatively impacted the financial performance of thousands of facilities. It's likely your facility has also experienced a decline in the number of Core golfers over the past six years.
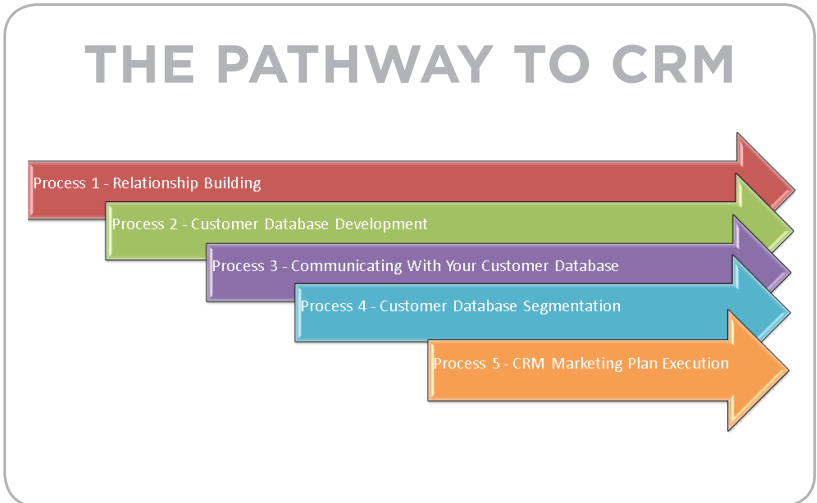
To retain and strengthen the Core golfer, it's crucial that the industry provide Core golfers with better customer service, build better relationships with their customers and enhance their marketing capabilities to better communicate with customers so that these customers will want to return time and again.

The strategy that has proven to be effective to help businesses provide better customer service, build better customer relationships and improve marketing efficiency is a Customer Relationship Management (CRM) system.

THE PROGRESSION TO CUSTOMER RELATIONSHIP MANAGEMENT

"**What is CRM**?" CRM is a widely implemented strategy for managing business interactions with customers, clients and sales prospects. It involves using technology – particularly customer database software – to organize and automate processes for customer tracking. In the golf industry, at the facility or management company group level, that means gathering information about customers, their golf shop purchases, rounds played, golf revenue, instruction and any other trackable information.

See the **Know Your Customer Playbook** for examples of CRM, including representative screen images from technology solutions that help organize, track and link customers with their rounds played and purchases.

THE PATHWAY TO CRM

Process 1 - Relationship Building

Process 2 - Customer Database Development

Process 3 - Communicating With Your Customer Database

Process 4 - Customer Database Segmentation

Process 5 - CRM Marketing Plan Execution

By completing the CRM steps you will:

- Create a culture of building a clientele

  | Turn customers into clients and clients into partners

- Encourage your customers to play more

- Demonstrate to customers that you understand them and their golfing preferences

- Strengthen the relationship between you and the golf facility staff, and your customers

- Help build a solid base of customers from which to grow in future years

PROCESS 1: RELATIONSHIP BUILDING

> ➡️ Over the past five years, approximately 4$^{1}/_{2}$ million golfers have left the game annually. As a result, the industry needs facilities to build better relationships with customers. By taking the time to know your customers and build a better relationship with them, you'll increase your revenue per customer and you'll grow the number of customers at your facility.

Why Build Relationships With Customers – It's Easy!

- It's effective at growing rounds

- It's very low cost compared to the cost of reaching a new customer

- It can increase facility-wide spending by Core customers

Purpose of Building Relationships Through On-Site Communications

- Improve revenue per customer and customer retention by cross-selling and up-selling

- Increase facility usage and customer loyalty by requesting feedback from customers about their experience

- Assist customers with their flow for their visit and ease-of-access to facilities

- Encourage customers to return to the facility

- Encourage customers to refer friends and family

- Create relationships to build loyalty/goodwill

- Exceed customer service expectations

How to Best Build Relationships with Customers

- Make a great first impression with a friendly greeting

- Engage in small talk to learn more about your customers/members/guests

- Request feedback from customers about their experience at your facility

- Cross-sell other facility revenue centers

- Retain customers by training staff to see the viewpoint of the customer

- Get customers to book their next tee time when they are on property

- Encourage your existing customers to spread word-of-mouth referrals to their friends/family who don't play golf to participate in your Player Development programming

NEXT FACILITY ACTION STEPS:

- Meet with staff at your facility

- Discuss the importance of customer relationship building

- Assess your current services and communication

- Agree on action steps needed to improve

For detail, direction and more information on how to complete this action step, see Process 1 in the Know Your Customer Playbook at Golf20.net.

PROCESS 2:
DATABASE DEVELOPMENT

➡ Your customer database serves as the crucial foundation for all of the following processes in the Know Your Customer Playbook. Building the best customer database is one of the most valuable assets you can maintain as a golf professional, owner or operator. The techniques required to build and maintain an outstanding database are dependent on you and your team at your facility, and not through some tool on the Internet.

Why Build a Customer Database

Your database can serve as a:

1. Leading indicator of revenues

2. Vehicle to market your facility

3. Profiling tool to use when prospecting for new customers

4. Guide about customer preferences for marketing and operational decisions

5. Sourcing system to quantify and track effectiveness of different marketing campaigns

What Information to Collect

- Personally identifiable information

    | Customer record number, full name, cell phone, email address

- Customer demographic data

- Customer transaction data

- Lifetime and family purchase history

- Customer survey data

How to Build and Maintain the Best Customer Database

- Customer survey data

    | Integrate satisfaction survey data into Point-of-Sale (P.O.S) system database

- Database collection procedures (at P.O.S.)

NEXT FACILITY ACTION STEPS:

Organize your customer records and establish a solution for building and maintaining customer information.

For detail, direction and more information on how to complete this action step, see Process 2 in the Know Your Customer Playbook at Golf20.net.

PROCESS 3: COMMUNICATING WITH YOUR CUSTOMER DATABASE

➡️ Communicating with your customer database is one of the least-expensive and most-effective forms of marketing you can do. Communicating with your database can increase customer retention and facility utilization.

Why Communicate With Customers in Your Database – To Get Them Back!

- Affordable communication method

- You've built a customer database, now use it

- Tracking

- Increase familiarity with the facility and develop comfort for return and retention

- Provide a reason for customers to return for a future visit to aid retention

- Immediate delivery for time-sensitive events

- Three-way communications

  1. Facility communication to customers
     - Email, E-Newsletter, Websites, Text Messaging

  2. Customer communication to facility
     - Text messaging, Customer survey, Social media

  3. Customer communication to other customers
     - Social media

What to Communicate

- About your facility

- Current news and events

- Future facility plans

- Player development programs

- Special offers/promotions

- Request for customer feedback/customer discussion

How to Best Communicate With Customers

- Email

- Text

- Website

- Social Media

- Customer Surveys

NEXT FACILITY ACTION STEPS:

- Use digital and social media to stay in touch with your customers

- Create compelling content and messages

- Conduct regular customer satisfaction surveys including open-ended feedback

For detail, direction and more information on how to complete this action step, see Process 3 in the Know Your Customer Playbook at Golf20.net.

PROCESS 4: CUSTOMER DATABASE SEGMENTATION

Customer segmentation is important for this simple reason — all customers are not created equal. Facilities that are successful in attracting and retaining highly profitable customers will gain an exceptional competitive advantage.

Although proper customer segmentation can be a challenge, this is precisely the reason why the reward can be so compelling. You will have the opportunity to get a sustainable competitive advantage because many of your competitors won't put in the required effort. That is the reality of business.

Once you've segmented your customer database you'll be able to execute Process 5 — CRM marketing plan — which will result in:

- Increased customer engagement

- Tracking of marketing campaigns

- Tracking of player development programming

- Higher customer retention

- Increased share of wallet from each customer

- Greater gross margin per customer

What Segmentation Methods to Use

- Customer demographic groups and skill groups

- Customer preferences

- Recency, Frequency, Monetary (RFM)

- Share of wallet

- Hot/Cold customers

- Customer profit analysis

- Customer satisfaction

- Customer lifespan

- Commitment to the game (PGA Golfer Portraits)

PGA Golfer Portrait Segmentation

- Commitment factors

- National benchmarks

- Characteristics/interests of each portrait

NEXT FACILITY ACTION STEPS:

Analyze and segment your customer information to identify various customer segments and profiles at your facility.

For detail, direction and more information on how to complete this action step, see Process 4 in the Know Your Customer Playbook at Golf20.net.

PROCESS 5: CRM MARKETING PLAN EXECUTION

➡️ Executing your CRM marketing plan will provide you with a personal communication system to each and every individual customer. Your communications will be relevant to each customer's preferences and buying behaviors, as you'll be sending targeted messages to specific customer groups. This will lead to increased customer response to your messages and increased customer loyalty. Your customers will recognize through your messaging that you understand them and speak their language.

Components of Your CRM Marketing Plan

- SWOT (strengths, weaknesses, opportunities and threats) market analysis

- Customer relationship audit

- Goals and objectives from CRM marketing execution

- Marketing communication schedule and strategy

How to Execute Your CRM Marketing Plan:

- Communication schedule and messaging strategy for targeted segments:

  | Customer demographic groups
  | Customer preferences
  | Recency, Frequency, Monetary (RFM)
  | Share of wallet
  | Hot/cold customers
  | Customer profit analysis
  | Customer satisfaction
  | Customer lifespan

NEXT FACILITY ACTION STEPS:

Create tailored offers for customers in the customer segments at your facility and based on recent customer behavior.

For detail, direction and more information on how to complete this action step, see Process 5 in the Know Your Customer Playbook at Golf20.net.

CUSTOMER RELATIONSHIP AUDIT

Now that you have reviewed the five processes within this Know Your Customer Facility Plan, let's take a look at why a customer relationship audit can be an essential part of your revitalized business plan.

Owners are very interested in retaining and strengthening the Core golfer business at their facility, and a customer relationship audit can greatly assist you in being recognized as a revenue generator for your employer.

This is your opportunity to engage and meet with your employer about all of the new tactics and strategies you'll be executing to grow the business by increasing customer retention and rounds played from each customer.

Your involvement in executing a strategy to Know Your Customer at your facility will also solidify your position as a key revenue generator. If you're successful at improving customer retention and customer spending, you'll be more valuable to your employer and your facility.

This added value may benefit you with increased compensation. By taking an active role, you'll positively contribute to the growth of your business. If you're an owner, this growth will lead to more profit. If you're not an owner, you'll be in a better position to quantify the financial performance of your facility and link that performance directly to the Know Your Customer strategy that you successfully executed which resulted in surplus rounds and revenues for your facility.

Use this audit to establish your current level of performance and prioritize areas of improvement for "Know Your Customer." The following pages serve as a template to complete your audit. To get started, follow these steps:

1. Review each process

   1. Relationship Building

   2. Customer Database Development

   3. Communicating With Your Customer Database

   4. Customer Database Segmentation

   5. CRM Marketing Plan Execution

2. Use template

   1. Record your current results

   2. Review the Assessment Answer Key (in the Know Your Customer Playbook) to measure your performance

   3. Share results and information with employer to get input on setting objectives

3. Use the "Process Priority Assignment" layout on Page 22 of this Know Your Customer Facility Plan to establish priorities for improvement

   1. Set priorities based on your current performance and your resource capacity to achieve higher performance levels

   2. Set performance goals for each process, based on the priority level you assign that process

   3. Repeat the audit in 12 months or at the end of your golfing season to compare performance achieved towards your goals and to set new objectives

PROCESS 1:
RELATIONSHIP BUILDING

ACTION OVER PAST 12 MONTHS	Record Your Facility's Performance Through The Number of	Performance Goal 12 Months from Now
Onsite communication collateral pieces designed to cross-sell, upsell or encourage repeat customer visits. Examples include using flyers, table stands, golf car placards, GPS messages to promote: • F&B • Leagues • Tournaments • Events • Parties • Real Estate • Memberships		
Customers who you've verbally asked for their feedback about facility /club operations		
Customers who you've tracked feedback through written notes		

PROCESS 2:
CUSTOMER DATABASE DEVELOPMENT

BREAKDOWN OF CUSTOMER DATABASE	Enter the Total Number of Customer Records in Your Database by the Number of	Performance Goal 12 Months from Now
Total number of customers in your customer database (defined as number of customer records)		
New customers entered into customer database last 12 months (defined as number of customer records)		
Valid, opted-in email addresses		

Valid, opted-in email addresses (entered last 12 months)		
Customers with their purchase history in each sales department (including specific transaction records of purchases they have made)		

PROCESS 3: COMMUNICATING WITH YOUR CUSTOMER DATABASE

ACTION	Enter The Number of Communications You've Made to Customers Through	Performance Goal 12 Months from Now
Email campaigns in the last month		
Email campaigns sent in last 12 months		
Posted content on Facebook/Twitter in last 12 months		
Administered customer surveys in last three years (enter number of surveys administered, not number of responses from customers)		
	Enter The Success Rate of Your Communications with Customers By	Performance Goal 12 Months from Now
Average open rate per email campaign		
Average click-through rate per email campaign		
Responses from customers to your customer survey(s) in the last three years		

PROCESS 4:
CUSTOMER DATABASE SEGMENTATION

BREAKDOWN OF CUSTOMER DATABASE	Enter The Total Count of Customer Records in Your Database with the Number of	Performance Goal 12 Months from Now
Customers who have played a round within the last 12 months		
Customers who have played a round within the last month		
Customers who have played a round within the last three months		
Customers who have an indicator of their total rounds played at your facility		
Customers who have the total spend amount at your facility		
Number of customers who only book a tee time using a discount or special offer		

PROCESS 5:
CRM MARKETING PLAN EXECUTION

ACTION OVER PAST 12 MONTHS	Enter The Total Number of Communications You've Made to Customers Through	Performance Goal 12 Months from Now
Any type of campaign (email, direct mail, private website group, e-newsletter, text messages, telemarketing calls) sent to a specific segment of customers but not to all customers		
Email campaigns sent to a specific segment of customers		

OTHER COMPONENTS OF YOUR CUSTOMER RELATIONSHIP AUDIT

BREAKDOWN OF CUSTOMER DATABASE	Page Location in the Playbook	Current Results	Performance Goal 12 Months from Now
Total Number of Calculated Customers Last 12 Months	Page 69, 72, 73		
Net Promoter Score	Page 70	%	%
Current Rounds per Customer	Page 70	Rounds	Rounds
Share of Wallet Percentage	Page 79	%	%
Average Number of Days per Customer Since Last Facility Visit	See Recency – Page 79	Days	Days
Average Annual Spend per Customer	See Monetary – Page 79	$	$
Percent of Hot Customers	Page 80	%	%
Percent of Cold Customers	Page 80	%	%
Average Gross Margin per Customer	Page 81	$	$

PGA GOLFER PORTRAIT RESULTS	Page Location in the Playbook	% of Customers
Male Segments		
Clubhouse	Page 85	%
Hooked on Value	Page 85	%
Chargers	Page 85	%
On the Fence	Page 85	%
Female Segments		
Junior Leaguers	Page 87	%
Time to Play	Page 87	%
Stressed but Serious	Page 87	%
Least Committed	Page 87	%

CONDUCTING YOUR SWOT MARKET ANALYSIS

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis will help you develop a realistic assessment of your facility's position relative to competitors in the marketplace, which you'll use to help you set goals and objectives for facility improvement. On page 90 of the **Know Your Customer Playbook**, you'll find further information on how to conduct a SWOT market analysis.

When conducting your SWOT, first perform a mystery shop evaluation of your facility and an evaluation of each of your competing facilities. Use the example Market Analysis Matrix listed on page 92 of the **Playbook**, as a scorecard for your evaluations.

After you've completed the Market Analysis Matrix, review your operation's strengths and weaknesses based on the level of performance you rated your facility versus how it compared with your competition. Also, determine any opportunities or threats to your facility based on how well or poorly your competition serves specific customer segments. Review the customers who are playing at your competition while conducting your mystery shop. This review can help you find segments that could be growth opportunities or segments that may be the most at risk of leaving your facility.
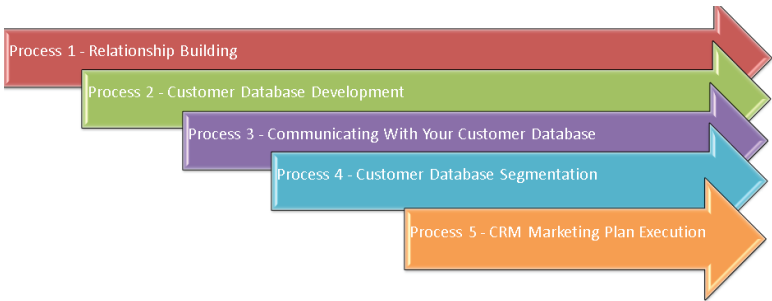
SWOT

Strengths:

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Weaknesses:

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Opportunities:

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Threats:

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To complete your Process Priority Assignment, refer to the Customer Relationship Audit Section listed on page 14 of this **Know Your Customer Facility Plan** for direction.

PROCESS PRIORITY ASSIGNMENT

Process 1 - Relationship Building

Process 2 - Customer Database Development

Process 3 - Communicating With Your Customer Database

Process 4 - Customer Database Segmentation

Process 5 - CRM Marketing Plan Execution

The final high-level roadmap for your facility's plan to Know Your Customer should be established during a collaborative meeting between the employer and the employee. When involving your employer/employee engage the other person to get their feedback on each of the Know Your Customer processes. Get feedback from the other person on each process and the importance each process represents to them to accomplish goals for the facility's customer business plan. Indicate the priority level in the below boxes with a checkmark. Set your priority levels based on your analysis of your customer relationship audit, your available resources and your future objectives.

	Low Priority	Moderate Priority	High Priority
Relationship Building			
Customer Database Development			
Communicating with Your Customer Database			
Customer Database Segmentation			
CRM Marketing Plan Execution			

Visit **Golf20.net**

For the complete Golf 2.0
Know Your Customer Playbook

GOLF 2.0

PGA