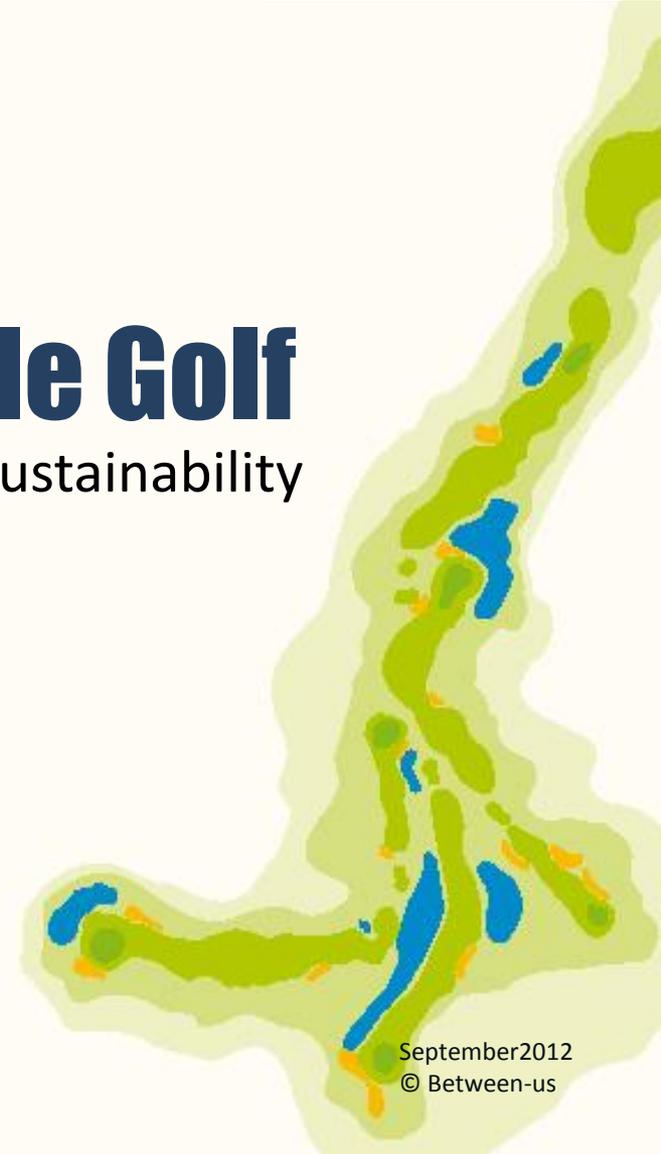


# The Value of Sustainable Golf

Survey results on golfers' attitude towards sustainability



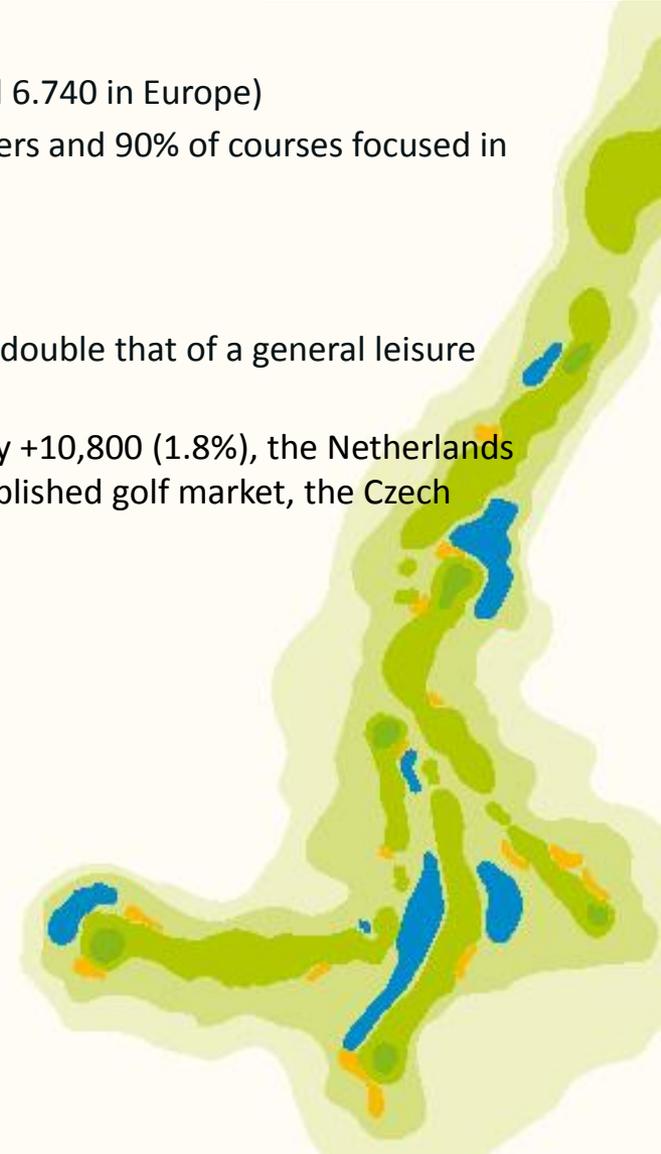
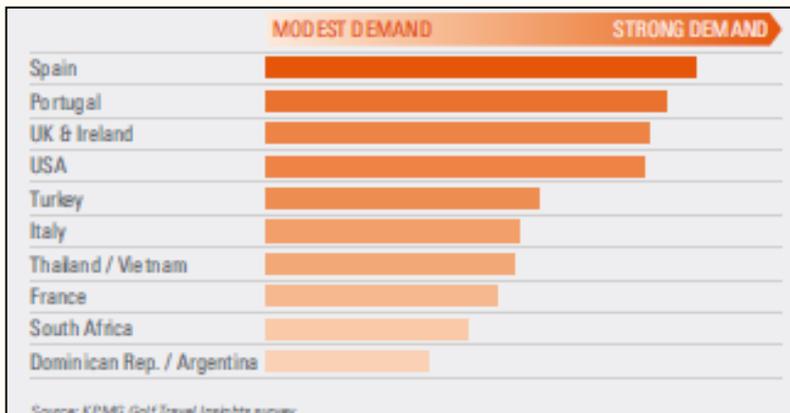
# Introduction

## Slight decline in mature markets, emerging markets still small



- The global market consists of 35.112 golf courses (17.672 in USA and 6.740 in Europe)
- The European golf market remains concentrated, with 92% of all golfers and 90% of courses focused in only 10 countries.
- Golf tourism in Europe is a €2.2 billion market p.a.
- Favorite destinations are Spain, Portugal, UK/Ireland and USA
- IAGTO reports that the daily spend of golfers in the destination itself double that of a general leisure tourist
- Countries that experienced an increase in golf participation: Germany +10,800 (1.8%), the Netherlands +7,600 (2.2%), Finland +4,600 (3.6%) and Eastern Europe's most established golf market, the Czech Republic +3,500 (7.6%).

## Hot spots for golf tourism

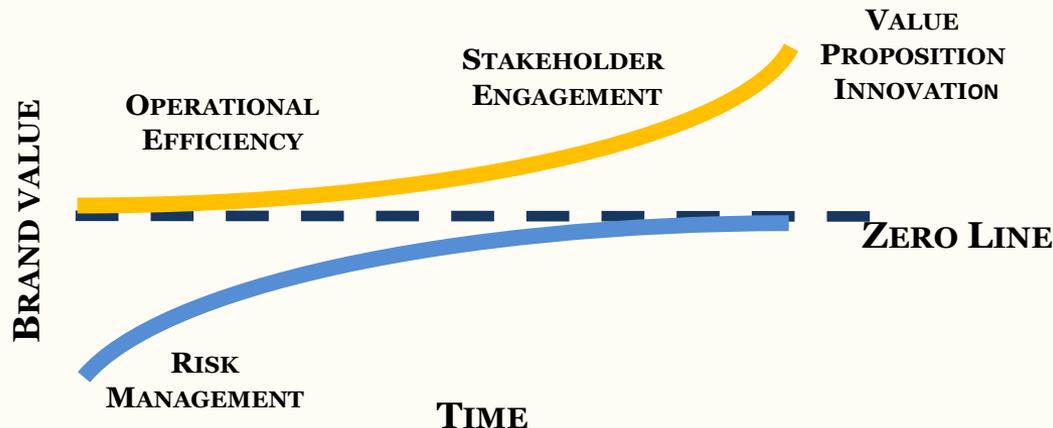


# The importance of intangibles

## A strategic approach to sustainability



- In many cases, golf events are valued on their tangible assets such as prize money, size, and players list.
- Corporate sponsors in golf are acting more on sustainability issues and need to meet international standards such as ISO, GRI and the Dow Jones Sustainability Index (DJSI).
- Sustainability is becoming an important driver for the overall brand value and corporate reputation, slowly but certainly affecting the sponsorship approach of golf events.
- Levels of compliance and competition on sustainability in the market are moving up.
- If a golf course is mainly active on risk management, the brand value will develop exponentially towards the zero line. However, in order to further improve its reputation, golf courses should focus on operational efficiency, stakeholder engagement, and innovation of the value proposition.



# The market is changing

Sustainability presents itself as a welcome opportunity



- Golf courses are struggling with higher operational costs, declining revenues and waning loyalty from golfers
- Sponsors are increasingly acknowledging that sustainability is contributing >15 % of corporate reputation
- Local ecological and social regulations are becoming more stringent
- 64% of golfers are willing to compensate the CO<sup>2</sup> of their rounds of golf
- Eco-tourism is growing with 5% annually

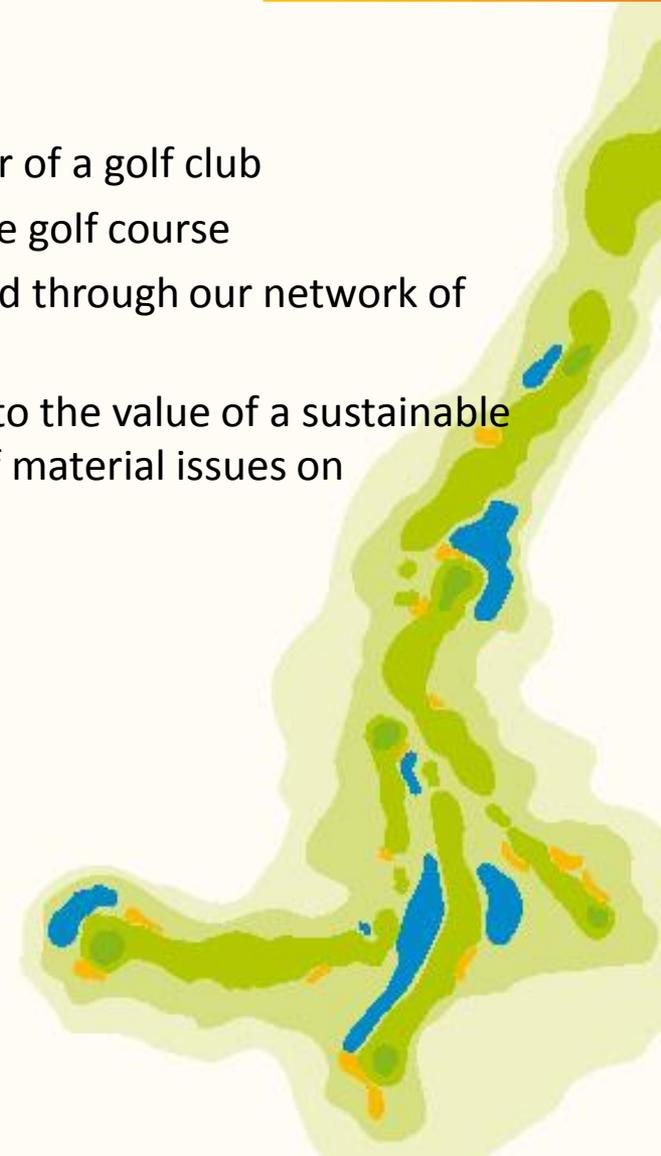


# The green golfer in 2012

Consumer research reveals the value of a sustainable golf course



- The total response rate is 308 respondents
- From the 308 respondents, 143 respondents were member of a golf club
- 10 basic questions were asked on the value of a sustainable golf course
- The survey link was communicated via Twitter, LinkedIn and through our network of golf federations and golf courses
- The objective of the survey was to gain a deeper insight into the value of a sustainable golf course for golfers and to get a better understanding of material issues on sustainability for golf courses

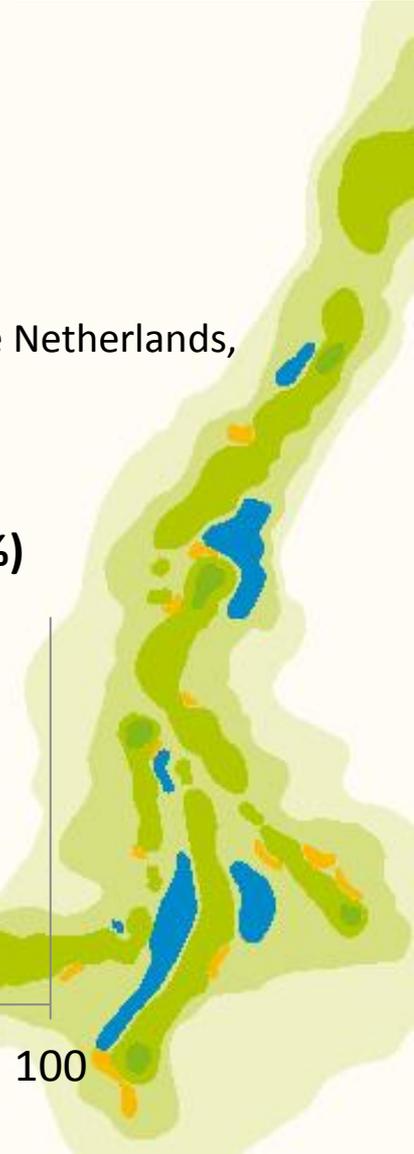
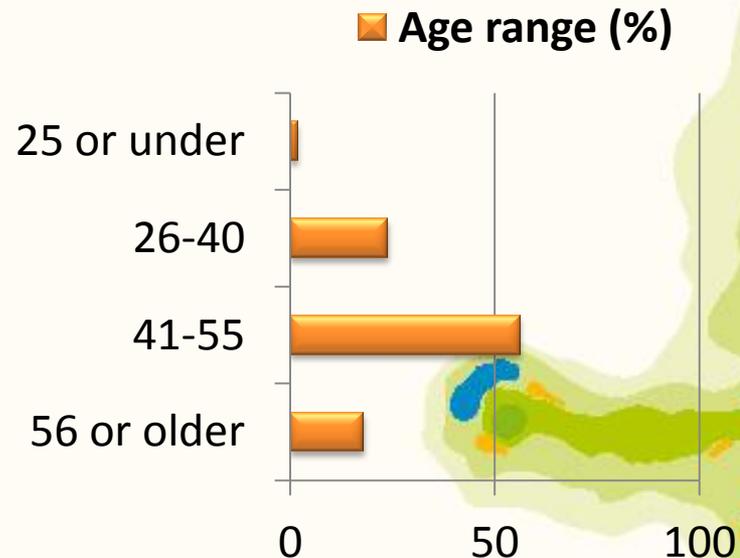
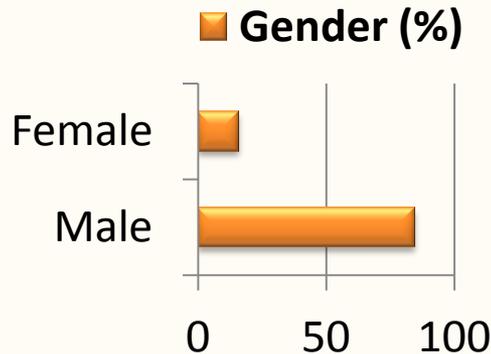


# Demographics of the respondents

Male, middle-aged and member of a golf course



- The following statistics are based on a response rate of 308
- 84,3% of the respondents is male
- 56,2% is between 41-55 years old
- 46,9% is member of a golf club
- Respondents are coming from 25 different countries including Denmark, The Netherlands, Portugal, Switzerland, USA, China, Australia, New Zealand and the UK





# Material issues that are recognized

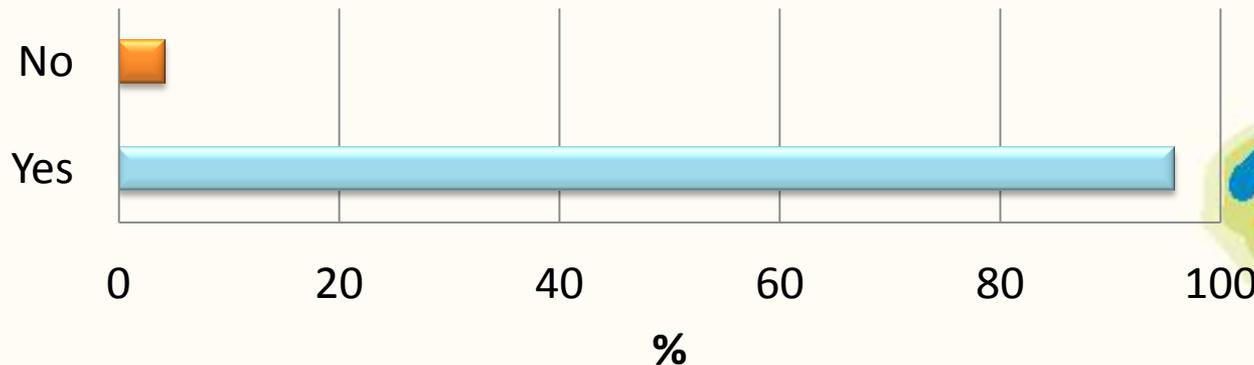
95,8% of the golfers would appreciate a more sustainable course



Most important material issues for golf courses according to consumers:

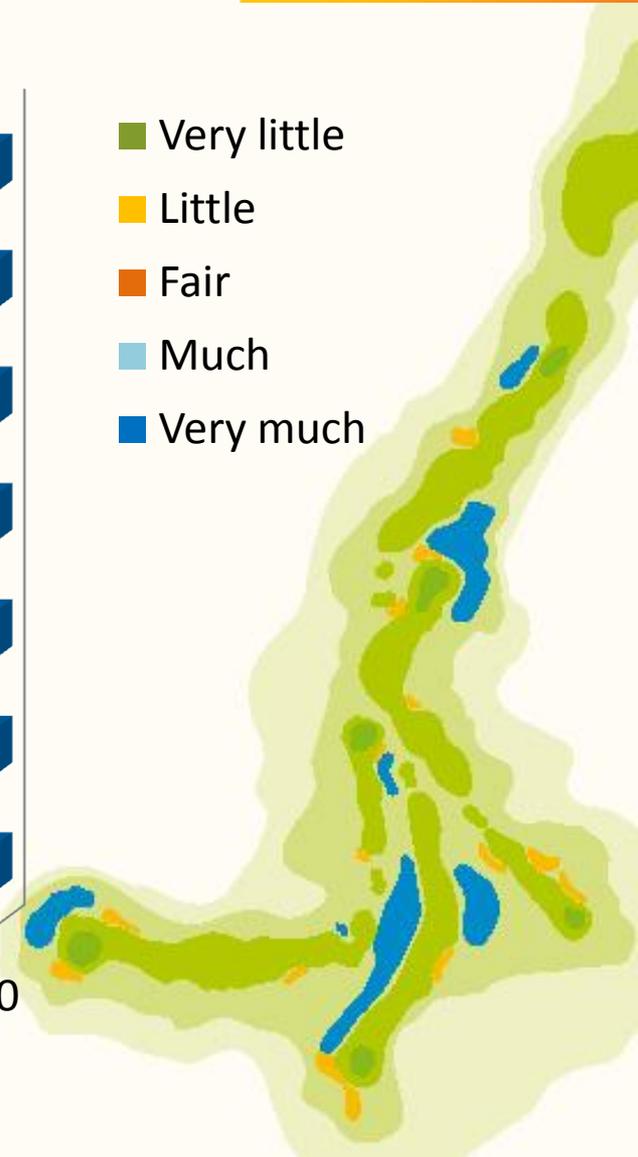
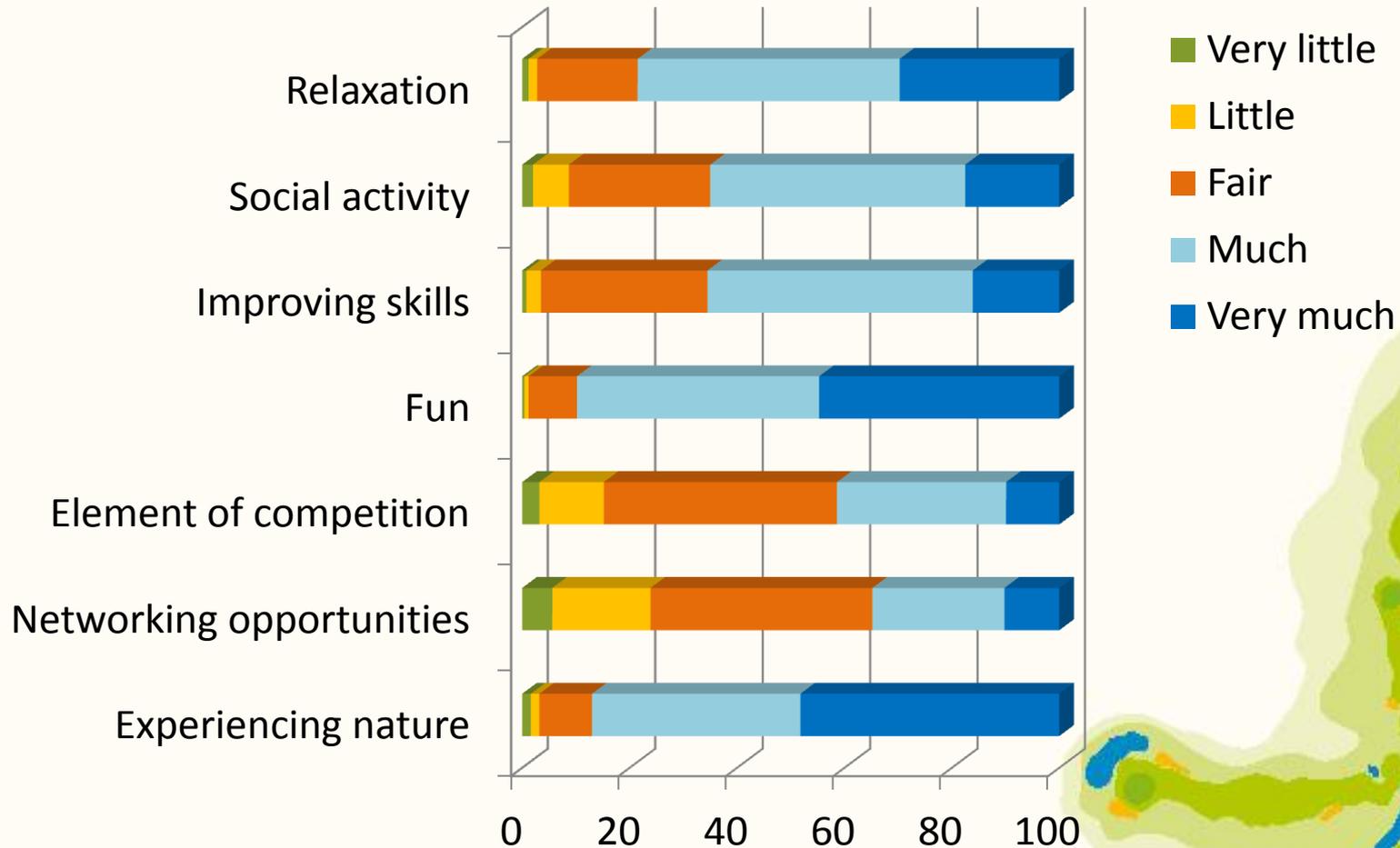
1. Chemical pest control (45%)
2. Reducing water usage (44,9%)
3. Recycling and reducing waste (42%)
4. Protecting biodiversity (39,4%)

**Would you like your regular course to become more sustainable?**



# Why do they play: the values of golf

Enjoy nature, advance business



# Contributing to sustainable golf

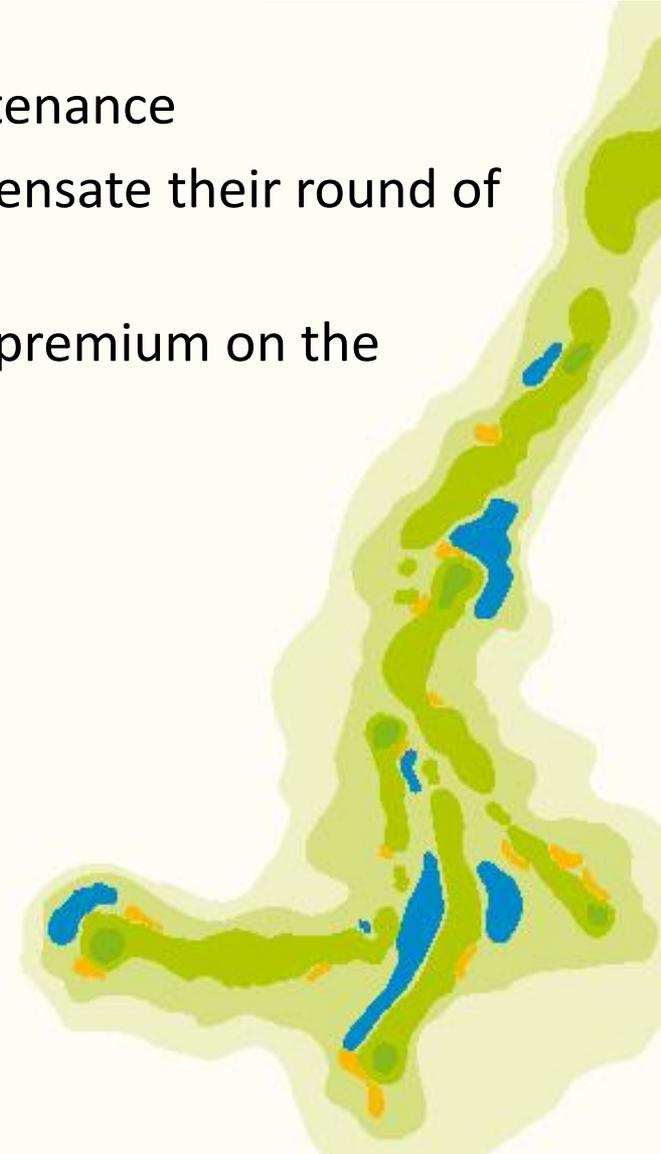
52,3% would like to compensate the emissions of a round of golf



- 31,2% is willing to volunteer in course maintenance
- 52,3% of the respondents is willing to compensate their round of golf
- 28% indicated that they are willing to pay a premium on the membership fee
- 14,7% is willing to donate to a charity fund

## Other suggestions made:

- 'local community work'
- 'helping to promote sustainable golf'
- 'add a few cents to the costs of golf balls'
- 'Contribute to no waste at the golf course'



# Profile of golf clusters

## How are stereotypes scoring on different sustainability issues?



### Golf-intensive golfers

- The most important material issues are: water stewardship (52,5%), chemical pest control (47,5%) and biodiversity protection (44,1%)
- Drivers to play: experiencing nature (51,7%) and fun (41,7%)
- 53,8% is willing to compensate their round and 34,6% is willing to pay a premium on membership fees

### Multimotivated golfers

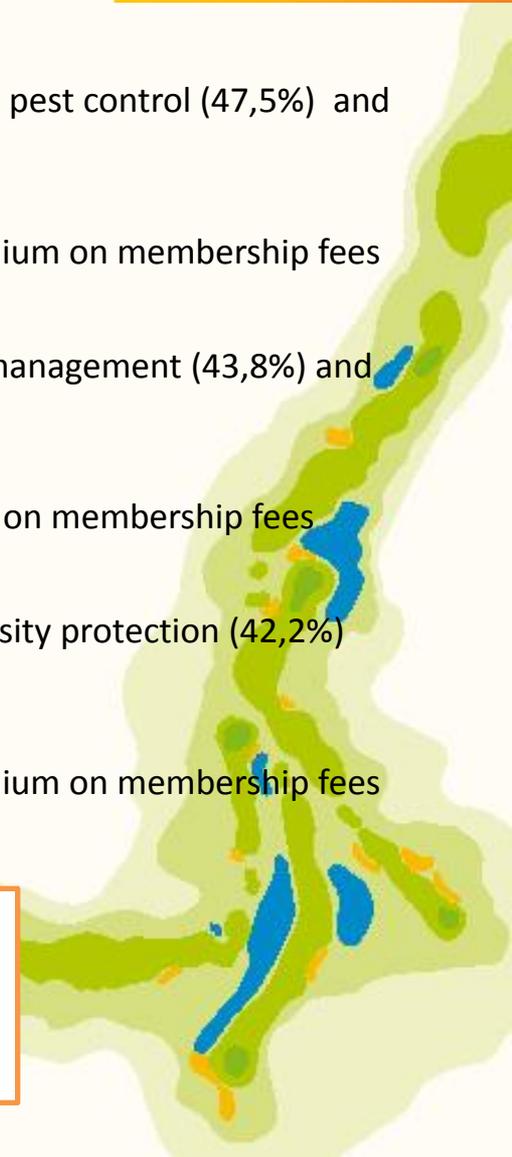
- The most important material issues are: chemical pest control (47%), waste management (43,8%) and water stewardship (41,8%)
- Drivers to play: fun (45,9%) and experiencing nature (43,8%)
- 52,8% is willing to compensate their round 26,8% is willing to pay a premium on membership fees

### Companion golfers

- The most important material issues are: water stewardship (44,4%), biodiversity protection (42,2%) and waste management (36,4%)
- Drivers to play: experiencing nature (58,1%) and fun (41,9%)
- 47,4% is willing to compensate their round and 21,1% is willing to pay a premium on membership fees

### 3 profile clusters according to Kim & Ritchie, 2012:

1. Golf-intensive golfers (male, younger age group, professionals or students)
2. Multimotivated golfers (male, middle age group, self-employed)
3. Companion golfers (females, older age group, housewives or public officials)



# Members vs. Non-members

Are club members more into sustainability than non-members?



	Golf Club Member	Non-member
Very sustainable household	16,1%	11,2%
A more sustainable 'home course'	96,6%	95,5%
<b>Material issues:</b>		
Protecting Biodiversity	35,5%	37,9%
Renewable Energy	31,5%	44,3%
Water Stewardship	33,1%	50%
Community Initiatives	7,4%	12,4%
Health & Safety	13,1%	11,4%
Waste Management	37,7%	44,3%
Biological Catering	13,9%	14,8%
Chemical Pest Control	33,3%	51,1%
Education of Employees	20%	21,6%
Involve Local Stakeholders	10,7%	17%
Promote Sustainability	17,2%	20,5%

# Members vs. Non-members

A different golf experience?



Drivers for golf	Golf Club Member	Non-member
Experiencing Nature	47,6%	55,7%
Networking Opportunities	7,3%	16,1%
Element of Competition	11,6%	11,4%
Fun	46%	52,3%
Improving Skills	22,6%	11,4%
Social Activity	18,5%	19,3%
Relaxation	34,7%	28,4%

Contribution	Golf Club Member	Non-member
Compensate emissions	53,3%	51,9%
Volunteer in course maintenance	30,8%	31,2%
Pay a premium on membership fees	25,2%	29,9%
Donate to a charity fund	14%	15,6%

# Main conclusions

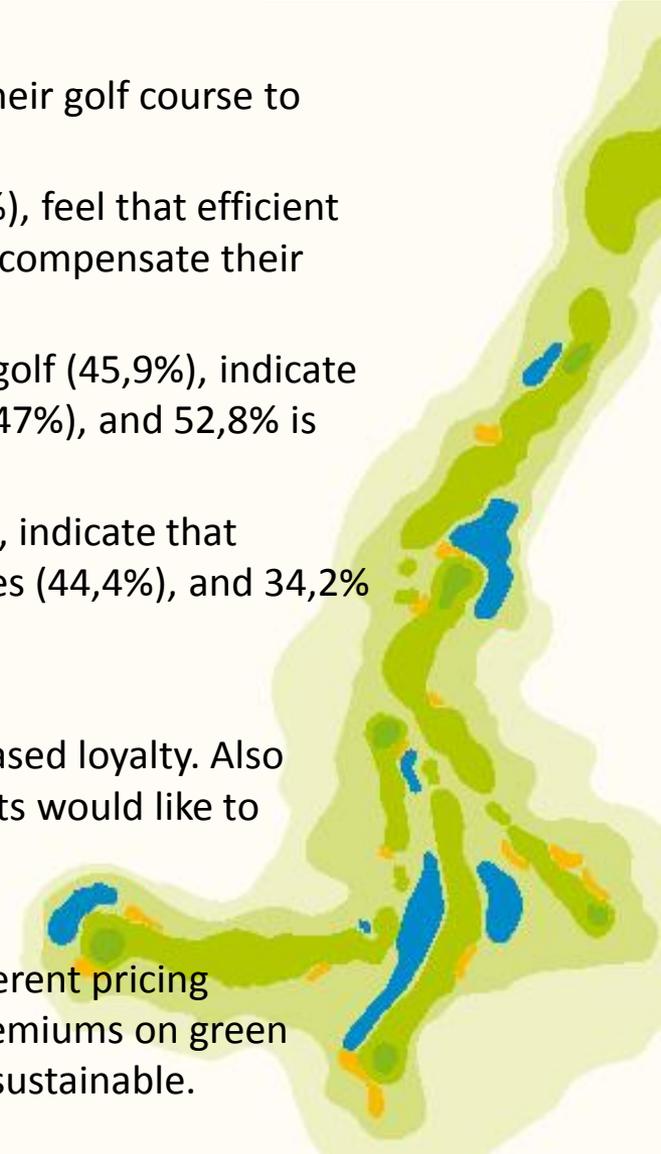
## Engage non-members through value creation from sustainability



- 95,8% of the 308 respondents indicate they would require their golf course to become more sustainable.
- Golf-intensive golfers would like to experience nature (51,7%), feel that efficient water management is very important (52,5%), and are willing to compensate their round of golf (53,8%)
- Multimotivated golfers would like to have fun when playing golf (45,9%), indicate that chemical pest control is the most important material issue (47%), and 52,8% is willing to compensate their round of golf
- Companion golfers would like to experience nature (58,1%) , indicate that efficient water management is the most important material issues (44,4%), and 34,2% is willing to volunteer in course maintenance

Contributions from golf players provide an opportunity for increased loyalty. Also financially golfers seem willing. More than half of the respondents would like to compensate their round of golf.

This can provides golf courses the opportunity to work with different pricing mechanisms for instance by putting small CO2-compensation premiums on green fees, a premium that can be used to make the golf course more sustainable.



# Enjoy nature, advance business

Focus on the value from sustainability, not just the risks



## Turning footprint into profit

In the past, sustainability was a giant risk factor. Today it is a true business opportunity. The Sustainable Golf Project is helping golf courses turn their footprint into profit. Visit us at [www.sustainablegolfproject.com](http://www.sustainablegolfproject.com) or call +31 765222817.

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# THE SUSTAINABLE GOLF PROJECT

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