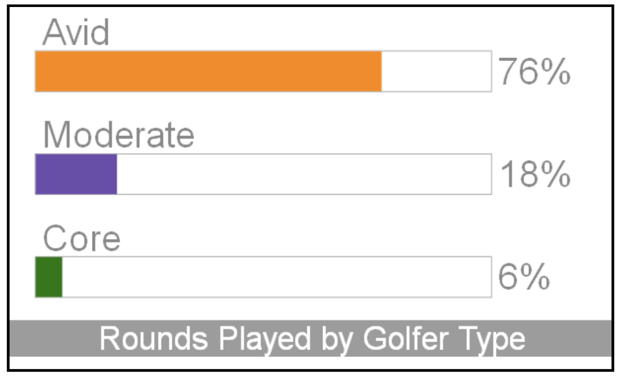
Golf Travel Outlook –U.S. & Arizona Market Trends 2013

Below is a summary by the Arizona Office of Tourism of trends in the golf market as they relate to Arizona using the following sources: Outlook for Sports Tourism – The Golf Market Bounces Back (2012, 2013); National Golf Foundation; Golf 20/20 – The 2011 Golf Economy Report by SRI International; ArizonaGolfAuthority.com; Arizona Golf Association; TravelGolf.com; 2013 Golfer Consumer Attitudes and Travel Insights from Sports and Leisure Research; and Scottsdale Golf Market Consumer Assessment Research by Sports and Leisure Research (2013).

Market conditions and forecast:

Demand for golf, though it went down during the recession, is picking back up again. The industry made a concerted effort to address player development and retention. Growth has already begun and is predicted to continue.



Source: National Golf Foundation

- "Avid golfers" (25+ rounds per year) play more rounds and spend more on golf than "moderate" (8-24 rounds per year) and "core" golfers (8+ per year).
- Golf travelers spend more than overall U.S. affluent traveler ($1,420 versus $1,100).
- Nation-wide, the number of rounds played is up 12% in 2012 and 47% of golf travelers are planning to take more trips in the next year.
    - Phoenix/Scottsdale up 2.1%.
- Domestic golf destinations made up 93% of golfer's 2012 trips. The top five U.S. golf destinations are 1- Florida (20%), 2- California (16%), 3- The Carolinas (16%), 4- Nevada (8%), and 5- Arizona (5%).
- Arizona's Primary Domestic Competitors: Florida, California, Vegas, and the Pacific Northwest.
- Arizona's Primary International Competitors: Caribbean, Mexico, Canada, and the U.K.
- Arizona's advantage: the ability to market luxury, experiences, activities, and events at a value cost.

- **Keys to gain market share and loyalty:** Value and consistency of a quality, activity-filled experience (dining, cultural experiences such as museums and special events, day trips, natural wonders).

What Golfers Want: Top 5 Factors

#1 Course quality/ condition	Weather/ Climate	$ Value	Variety of activities	Quality accommodations, dining

Source: Outlook for Sports Tourism by Sports & Leisure Research Group 2012

Demographics and trends:

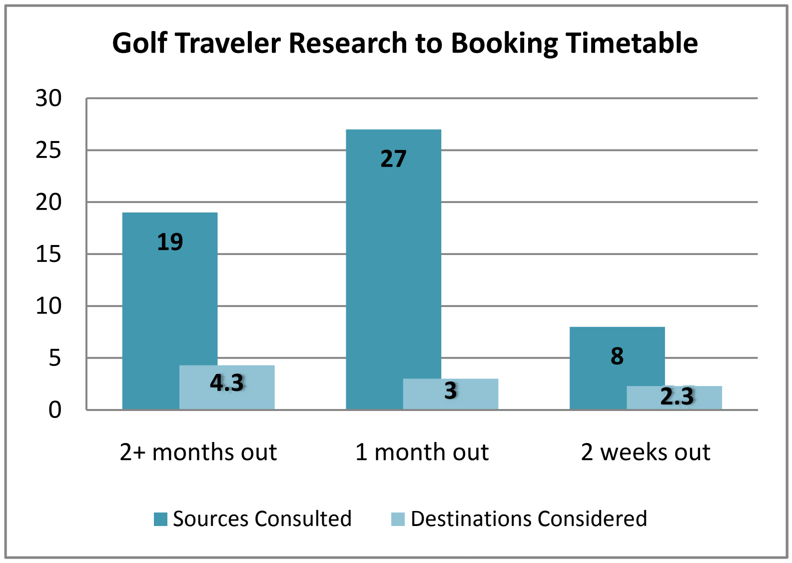
- The majority of golfers are male with high household incomes (see appendix on page five for more detail).
- Take more business and leisure trips per year and spend more than the average affluent traveler.
- Discerning of value, quality, and ease of travel.
- Avid golfers are 17% more likely than core golfers to be planning more travel over the next year.

Desired Amenities:

- All golf travelers are looking for: 1- Fine dining in the area, 2-Restaurants on site, and 3-Pools.
- Golfers traveling with buddies also look for bars/nightlife.
- Golfers traveling with a family or their spouse/partner look for shopping.

Destination Planning Phase: Research, research, research. Then they book online.

- They do their own research, are more discerning, and utilize the internet for pricing/packages.
- They research a variety of destinations.
  - Those considering California two weeks out also consider Florida (46%) and the Southeast (35%).
- Golfers return to favorite courses.
- A variety of activities in the area is important such as dining, nightlife, cultural activities, entertainment, and special events (see table below).
- Many resources used:
  - Colleagues, friends and family
  - Hotel chain/property-specific websites
  - Google search, price comparison travel sites
  - Articles/features in golf magazines and websites
  - Magazine and internet advertising do the best job of being: informative, credible, useful, trustworthy, and **inspirational**.
  - Magazines inspire golfers to seek out interesting new places to go.
  - Vivid images that articulate key benefits of a location and priority needs (golf, dining, accommodations, ease of travel, value, and convenient booking) are most impactful.
  - Stunning photos, reviews, local events, magazine images, word of mouth, and travel sites catch the attention of the researching golfer.



Source: Outlook for Sports Tourism by Sports & Leisure Research Group 2012

Southwest Golf Leisure Travel: Top Activities		Southwest Golf Leisure Travel: Top Outdoor Activities
1	Visit friends and relatives	National Park Visitation
2	General sightseeing	Other sports and recreation
3	Shopping	Backpacking/hiking
4	Fine Dining	Bicycling
5	Attend a specific Event	Fishing

Source: 2013 Doublebase Gfk MRI provided by Off Madison Avenue

Arizona's advantages:

- Warm winters (peak season: January – April)
- 12 million rounds of golf per year
- Sky Harbor International Airport and network of smaller airports
- Easy transportation around metro area
- Golf infrastructure including nearly 300 courses (see table of nationally ranked courses below) along with resorts, dining, nightlife, cultural activities such as museums and tours, and special events throughout the year such as Spring Training and major golf tournaments.
  - Tournaments include the President's Cup, PGA Frys.com Open, European Tour, LPGA Tour, Champions Tour, PGA McGladrey Classic, PGA OHL Classic.
  - 97 golf events scheduled throughout 2013 including charity, opens, and championships.
  - Top cities in terms of number of golf courses: Scottsdale, Phoenix, Mesa, Chandler, Green Valley, Sun City, Tucson, and Yuma.
  - Scottsdale describes itself as "the world's finest golf destination"and has been made the home of many touring professional golfers.

Case Study: Scottsdale Golf Travelers

Recently, the Scottsdale Convention & Visitors Bureau partnered with Sports & Leisure Research Group to produce a Golf Market Consumer Assessment. Respondents ranked Phoenix, Scottsdale, and Tucson as an "excellent value for the money" compared to other golf destinations with 89.2% of respondents indicating their likelihood to recommend Scottsdale to others. Scottsdale is able to attract and bring back the golf travelers for the following reasons:

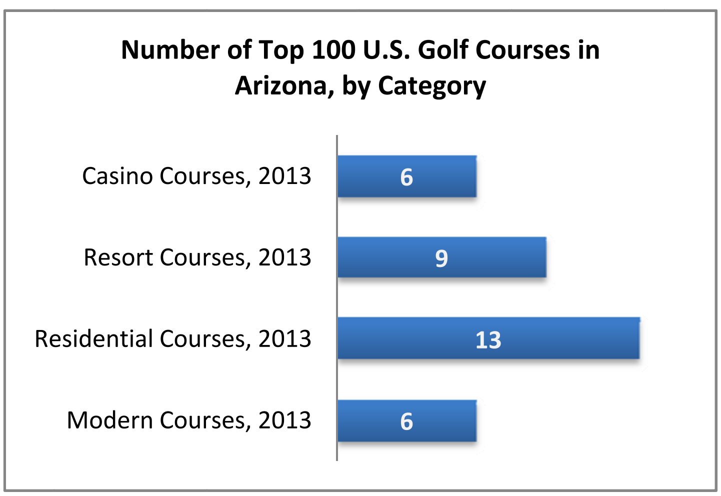
Scottsdale's Golf Destination Attributes
An abundance of golf courses
Easy to get to
Easy way to book tee times
For affluent people
Golf courses that are challenging, yet not intimidating
Golf courses with great scenery
Good for couples
Good for retirees
Great food with an abundance and variety of dining options
Great value for the money
Great weather for golf
High quality & well maintained golf courses
Many activities in addition to golf
Offers something new and exciting
Quality accommodations
The people are friendly, approachable, and helpful
The service makes visitors feel special

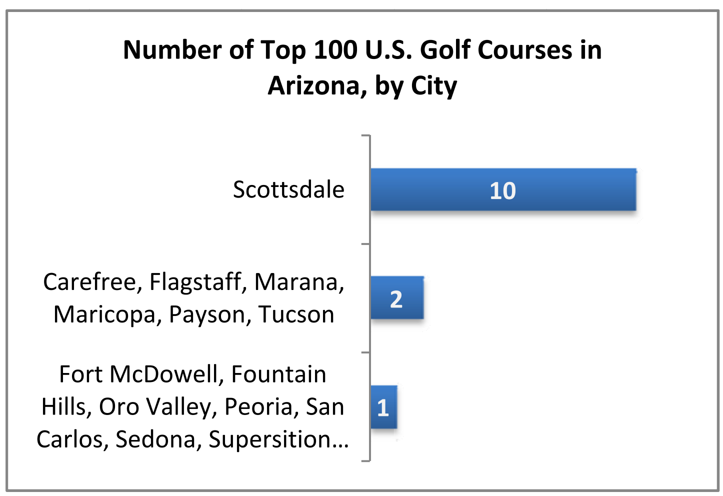
Source: Scottsdale CVB

Golfweek's Best U.S. Golf Courses – Arizona Highlights

Category	*Rank*	*Course*	*City*
Modern Courses, 2013	**#37**	Desert Forest Golf Club	Carefree
	#53	Estancia*	Scottsdale
	#67	Forest Highlands*	Flagstaff
	#69	The Rim*	Payson
	#96	Whisper Rock	Scottsdale
	#98	The Stone Canyon Club	Oro Valley
Residential Courses, 2013	**#15**	Estancia	Scottsdale
	#16, 71	Forest Highlands**	Flagstaff
	#22	The Rim	Payson
	#29	Stone Canyon	Tucson
	#38	Quintero	Peoria
	#61	Desert Highlands	Scottsdale
	#68	Seven Canyons	Sedona
	#81	Troon County Club	Scottsdale
	#86	Desert Mountain	Scottsdale
	#87	Silverleaf	Scottsdale
	#90	The Gallery	Marana
	#96	Superstition Mountain	Superstition Mountain
Resort Courses, 2013	**#20, 46**	We-Ko-Pa Golf Club**	Fountain Hills
	#38	Ritz-Carlton GC at Dove Mountain	Marana
	#62	Ak-Chin Southern Dunes*	Maricopa
	#73, 80	Troon North**	Scottsdale
	#81	Ventana Canyon	Tucson
	#86	Talking Stick*	Scottsdale
	#96	Boulders Resort	Carefree
Casino Courses, 2012	**#3, 11**	We-Ko-Pa**	Fort McDowell
	#19, 33	Talking Stick**	Scottsdale
	#21	Southern Dunes	Maricopa
	#39	Apache Stronghold	San Carlos

*indicates course is in multiple categories. **indicatesmore than one course on property listed in the top 100 ranking.





Source: Golfweek.com

Appendix

Golf Player Demographic Statistics	
Golfer Statistics	**Data**
A golfer is defined as anyone having played an 18-hole round in the last 12-months	
Total number of golfers in the US	29,000,000
Percent of the population who play golf	9.60%
Percent of golfers who are male	**77.50%**
Percent of golfers who are female	22.50%
Percent who are married	**68%**
Percent of golfer who attended or graduated college	**67%**
Percent who are employed in a white collar occupation	50%
Percent who use the internet on a regular basis	**90%**
Age Breakdown	
30-39	12%
40-49	**22%**
50-59	**24%**
60-69	18%
Household Income / Economics	
Average household income of a golfer	**$95,000**
Percent of golfers who have a net worth over $100,000	**79%**
Dining Out (while at home)	
Percent who dine out once a week or more	**73%**

From: http://www.statisticbrain.com/golf-player-demographic-statistics/

Source: National Golf Foundation, US Census Department, Date verified: 7.31.13

Size of the U.S. Golf Economy by Industry ($ millions)			
Core Industries	2000	2005	2011
Golf Facility Operations	$20,496	$28,052	$29,852
Golf Course Capital Investment	$7,812	$3,578	$2,073
Golfer Supplies	$5,982	$6,151	$5,639
Endorsements, Tournaments & Associations	$1,293	$1,682	$2,045
Charities	$3,200	$3,501	$3,900
Total Core Industries	$38,783	$42,964	$43,509
Enabled Industries			
Real Estate	$9,904	$14,973	$4,745
Hospitality/Tourism	**$13,480**	**$18,001**	**$20,555**
Total Enabled Industries	$23,384	$32,974	$25,300
TOTAL GOLF ECONOMY	$62,167	$75,939	$68,809

Source: Golf 20/20 - The 2011 Golf Economy Report by SRI International