# CSFs for the Development of Golf in Greece

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**JBR HELLAS**

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FT.com FINANCIAL TIMES

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# Deutsche Bank tees off its US branding drive

- Five years after Deutsche Bank clinched its $10bn transatlantic merger with Bankers Trust, the German bank feels it is ready to launch its name in the US. Being America, it has chosen to do so on a golf course.
- … the world's number one bank, ahead of JP Morgan, in terms of investment banking trading and sales revenue, feels the need to boost its US profile with the first Deutsche Bank Championship tournament to be played at Boston's Tournament Players Club this weekend.
- Golf industry experts say that title sponsorship typically costs $5m-$7m. Since the bank has signed up for four years, its total bill could be almost $30m.
- Meanwhile, Deutsche pays to run the tournament, but receives much of the gate revenue. About 25,000 spectators a day are due, paying $40. It has also defrayed costs by inviting 11 "founding" sponsors - including Tag Heuer, FleetBoston Financial and Fidelity Investments - to pay for entertainment space in the grounds and some brand visibility

# 2010: Golfers prediction

| Country | 2000 | 2010 |
|---|---|---|
| Worldwide | 61,000,000 | 82,400,000 |
| USA | 26,446,000 | 28,400,00 |
| Europe | 3,353,861 | 4,977,000 |
| Continent | 1,880,670 | 3,778,000 |
| Great Britain and Ireland | 1,473,191 | 1,718,000 |
| Germany | 370,490 | 678,800 |

# 2010: Golf courses prediction

| Country | 2000 | 2010 |
|---|---|---|
| Worldwide | 28,562 | 36,750 |
| USA | 16,743 | 20,200 |
| Europe | 5,877 | 8,250 |
| Continent | 2,894 | 4,950 |
| Great Britain and Ireland | 2,983 | 3,600 |
| Germany | 604 | 950 |

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# Greece vs. Competitors

| Country | Cour-ses | Play-ers | 1 golf course per … inhabitants | Players per '000 population |
|---|---|---|---|---|
| Spain | 272 | 217,621 | 151,397 | 5.28 |
| Portugal | 63 | 13,000 | 159,238 | 1.30 |
| Italy | 225 | 67,092 | 257,418 | 1.16 |
| Greece | 5 | 1,306 | 2,126,200 | 0.12 |
| Turkey | 12 | 2,475 | 5,802,160 | 0.04 |

# Development stages of golf

| INSUFFICIENTLY DEVELOPED GOLF NATIONS | THRESHOLD COUNTRIES<br>1 GOLF COURSE FOR A POPULATION THE SIZE OF A BIG CITY | FAIRLY DEVELOPED GOLF NATIONS<br>1 GOLF COURSE FOR A POPULATION THE SIZE OF A MEDIUM SIZED CITY | HIGHLY DEVELOPED GOLF NATIONS<br>1 GOLF COURSE FOR A POPULATION THE SIZE OF A SMALL TOWN | HIGHEST DEVELOPED GOLF NATIONS<br>1 GOLF COURSE FOR A POPULATION THE SIZE OF A VILLAGE |
|---|---|---|---|---|
| 500.000 ... > | 140.000 ... 500.000 | 70.001 ... 140.000 | 25.001 ... 70.000 | 4.000 ... 25.000 |
| Czech Republic | Germany | Austria | England | Iceland |
| Hungary | Spain | Netherlands | Denmark | Ireland |
| **Greece** | Portugal | Switzerland | Norway | Scotland |
| | Italy | France | Finland | Wales |
| | Slovenia | Belgium | Luxembourg | Sweden |

Source: Predicting the Future - Trends in the Golf Course Market - By Dr. Klaus Ennemoser
http://www.eigca.org/articles2.php

# Golf Markets

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# Market segmentation according to type of golfer

| TARGET GROUP | MAIN MOTIVES |
|---|---|
| **Traditional golfers in clubs** | Club life, golf as leisure-time & holiday activity, average quality expectations regarding facilities & course |
| **Prestige-oriented golfers** | Image- and prestige-oriented, membership in a renowned golf club as a status symbol, maximum quality expectations as regards facilities and course |
| **Convenience-oriented golfers** | Convenience, service, golf as leisure-time activity with not much time to spare, average quality expectations as regards facilities and course, maximum expectations as regards management |
| **Sports-oriented golfers** | Golf as a sports challenge, maximum requirements as regards course design, practice and training facilities, tournaments and competitions |
| **Smart golfers** | Value for money, quality of the facilities and course in keeping with the price paid, flexibility and less loyalty to one particular course |
| **Golf tourists** | Varied depending on life cycle as well as on requirements, attitudes and behavioural patterns |

Source: Golf Market of the Future, Golf & Tourism Consulting 2001

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# Golf tourists

- Considerable market opportunities as golfers continuously seek new destinations
- They look for professionally organised and managed golf resorts
- Requirements and expectations depend greatly on how good the golfer is.
  - Newcomers: Practice units and golf instruction
  - Advanced: Want to play on or get to know as many different courses as possible
- Brochures listing golf courses and hotels in a region is not enough

# Golf tourists - 2

Sub-segments of potential golf tourists:

- **Individual golfers**
  - They are attracted through golf tour operators' mailing lists and brochures
- **Academy Groups of novices or non-golfers**
  - They belong to associations or clubs in universities or businesses. They often arrange group tuition packages. These may be combined with a longer holiday break and typically may be seven nights
- **Golf clubs and societies**
  - They frequently arrange short golfing breaks outside their country. Typically golf breaks include up to 12 golfers and competitions are arranged during the stay. The average stay is three nights

# Golf tourists - 3

Sub-segments of potential golf tourists:

- **Business meetings and business conferences**
  - These are purposely held in golf resorts where golf is seen to be an important team activity ancillary to the main conference programme
- **Occasional golfers**
  - Individual golf enthusiasts who make their travel arrangements through existing non specialist tour operators as part of a traditional family holiday.

# Golf tourism benefits

- Improved tourist quality: high income tourists
- Improved seasonality patterns: golfers travel in shoulder and winter periods, when the weather conditions in their countries are poor (usually November – April)
- Improved tourist numbers and revenues
- Broader based product
- Job creation

# Latent Golf Tourism Demand in Greece

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# Latent demand and how it is calculated

- Among the current tourists of a country, a substantial number of golfers would play golf if an adequate course existed at the destination.
- This is “latent demand”
- It is estimated by assigning the national propensity to play golf to the total tourist arrivals from each of the major sources

# Latent Golf Tourism Demand

| Main Countries (2003) | Players per '000 population | Incoming tourists to Greece (2001) | Latent demand for golf tourism |
|---|---|---|---|
| UK | 20.6 | 2,916,508 | 60,186 |
| Sweden | 59.3 | 502,683 | 29,795 |
| Germany | 5.2 | 2,347,434 | 12,181 |
| Netherlands | 12.1 | 673,405 | 8,134 |
| Denmark | 21.1 | 350,930 | 7,420 |
| Norway | 22.0 | 329,469 | 7,259 |
| Other | | | 26,401 |
| **Subtotal Europe** | | | **151,375** |
| | | | |
| USA | 95.0 | 199,737 | 18,975 |
| Canada | 168.0 | 49,383 | 8,296 |
| Japan | 80.0 | 73,350 | 5,868 |
| **Subtotal Long Haul** | | | **33,139** |
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| **Total** | | | **184,515** |

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# How many golf courses?

- Assume 200.000 players
- Assume 4-5 rounds each (1 week)
- => 800.000 - 1.000.000 rounds
- With 20.000 - 30.000 rounds required per course to make it viable

Greece can support,
on latent demand alone,
25 – 50 golf courses

# Critical Success Factors

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# Golf Playing Requirements

- Seeking Golf Destinations:
  - at least 3-4 courses in the area,
  - with at least 2 championship courses
  - and 1-2 good courses

  so golfers can have a choice
- When traveling abroad to play golf, courses must be of an excellent standard
- They must offer value for money, i.e.
- Money should be spent on the good upkeep of the golf course

# Golf Holiday requirements

- Good accommodation,
  golfers choose from 3*S hotels upwards
- Hotel does not necessarily have to be on the golf course, but should be near –
  up to 45’ to get to a course
- Good direct flights to the golf destination
- Hotel transfer should not take too long
- Often part of incentive packages

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# CSFs in a nutshell

- Building the courses is a necessary, not sufficient condition – in addition:
  - They should be developed in clusters
  - Be of internationally competitive standards
- Be in easily accessible destinations
- Supporting good quality
  - Accommodation
  - F&B / Entertainment
  - Meetings and Incentives infrastructure

↓

i.e. a clear case
of integrated development

# if all efforts fail ...