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APRIL 2013



**Golf Course
Maintenance Unmet
Product Needs**
Golf Course Superintendent
Survey Results



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Insight | Strategy | Success



GOLF COURSE MAINTENANCE UNMET PRODUCT NEEDS Golf Course Superintendent User Survey

Global Golf Advisors (“GGA”), as part of ongoing efforts to understand the future direction of golf and the key trends shaping the landscape, asked superintendents across North America to weigh in on the equipment they use and their unmet needs related to the courses they are charged with maintaining. This paper contains the results and highlights of this research survey.

EXECUTIVE SUMMARY

Superintendents are responsible for the conditioning and maintenance of their golf course and are charged with maintaining and enhancing the franchise value of the facility’s most valuable asset. In order to protect the franchise, superintendents face competing demands to reduce expenses and improve the bottom line while maintaining superior conditions and competitive advantage.

The golf course maintenance unmet product needs survey results demonstrate both the superintendents’ commitment and struggle with these competing demands.

Overall, the results of this survey highlight the modern superintendent’s value perspective, which commands zero down-time, exceptional conditioning and budget consciousness. Key findings include:

1. Innovations must help superintendents to do more with less.
2. The most important innovation: Get back to basics with a sophisticated step-cut triplex unit to cut greens, collars and tees.
3. Just-in-time access to parts and low-cost leasing and financing solutions are the most valued support equipment suppliers could provide superintendents.
4. Bunker rakes need the greatest amount of improvement; but mowers remain a top priority with rough mowers requiring the greatest amount of attention, followed by fairway mowers, trim and surround mowers and greens mowers.
5. The majority of respondents own all of their equipment.



6. Equipment storage practices (indoors or outdoors) are not weather- or geography- dependent.
7. Most mid-to-lower-end public courses do not employ full-time equipment technicians.
8. Most courses spend between \$10,000 and \$40,000 annually on equipment repairs and maintenance.
9. Brand loyalty appears to be weak for golf maintenance equipment.
10. Equipment distributors were generally rated weak in sales support and strong in technical support.

RESPONDENT PROFILE

Global Golf Advisors asked a random sample of golf course superintendents across North America to provide feedback on golf course maintenance products. The average age of the 126 participating superintendents is 46.

Q. RESPONSES BY LOCATION OF GOLF COURSE.

Responses represent every region in North America, weighted towards the Northeast, with 31% of respondents charged with the care of warm-season grasses and 69% charged with the care of cool-season grasses.

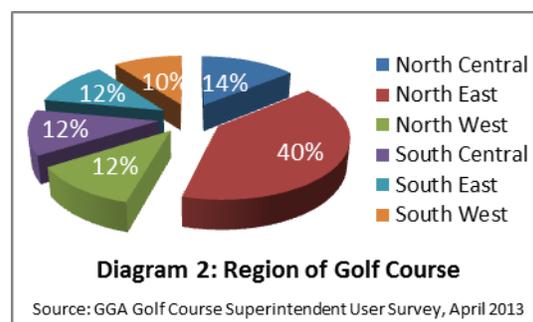
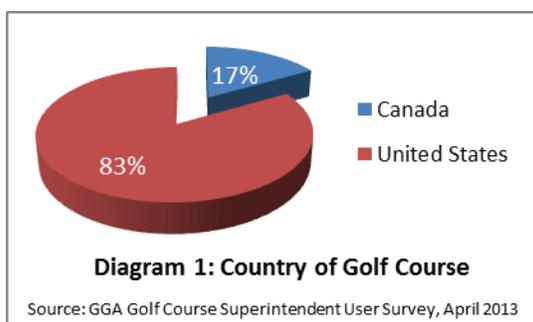
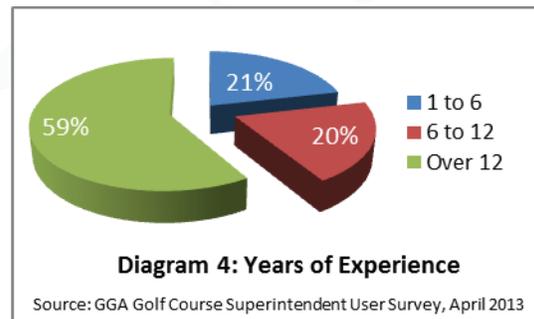
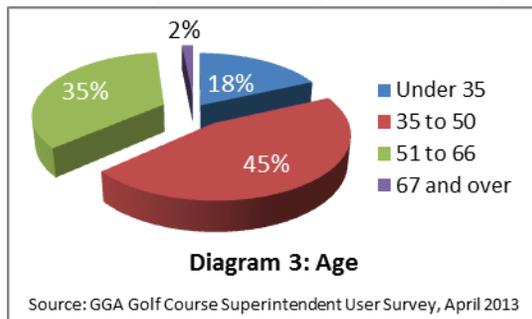


Table 1: Legend of Regions

Region	Provinces and States
North Central	ND,SD,NE,KS,MO,IA,MN,WI,IL,MB,SK
North East	MI,IN,OH,WV,PA,NY,VT,ME,NH,MA,RI,CT,DE,NJ,MD,VA,ON,QC,NB,NS,PE,NL
North West	WA,OR,ID,MT,WY,UT,CO,AB,BC
South Central	OK,AR,TX,LA,MS
South East	NC,KY,TN,AL,SC,GA,FL
South West	CA,NV,AZ,NM,AK,HI

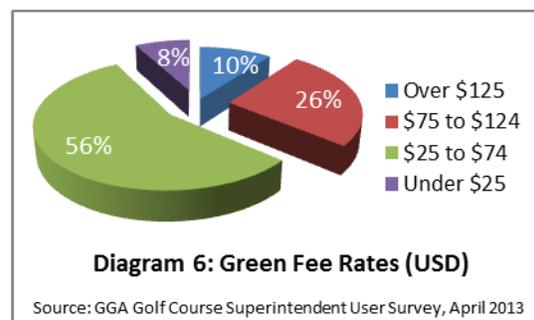
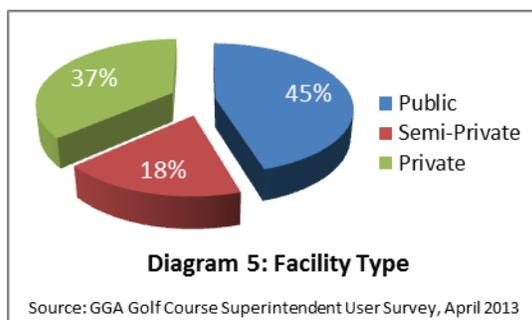
Q. RESPONDENT AGE AND EXPERIENCE.

Responses represent all age ranges, with a concentration in the 35-to-50 range.



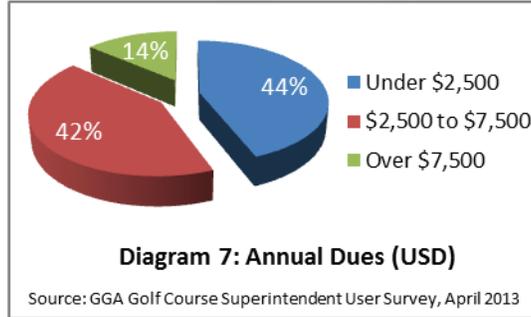
Q. RESPONSES BY GOLF COURSE FACILITY TYPE AND MARKET POSITION.

Responses reflect input from public, semi-private and private facilities with wide-ranging green fee rates and annual dues. Most responses originate from the mid-to-high-end range with an average green fee rate of \$78.72-\$62.20 public, \$54.74 semi-private and \$111.17 private.





Almost nine in ten (87%) courses offer unlimited play annual memberships with dues averaging \$5,025. Less than one in ten (6%) of the courses charge annual dues of more than \$17,500. 54% of annual dues represent family memberships.



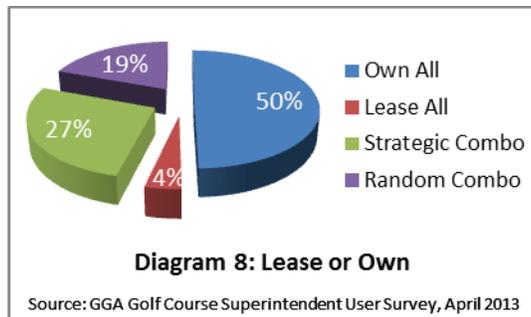
CURRENT EQUIPMENT PROFILE

The following categories of golf course maintenance equipment were considered when respondents answered each survey question:

- Mowers
- Bunker rakes
- Aerators
- Core processors
- Dethatchers
- Seeders
- Debris equipment
- Sprayers
- Topdressers
- Utility vehicles
- Compact tractors
- Greens rollers

Q. DO YOU CURRENTLY LEASE OR OWN EQUIPMENT?

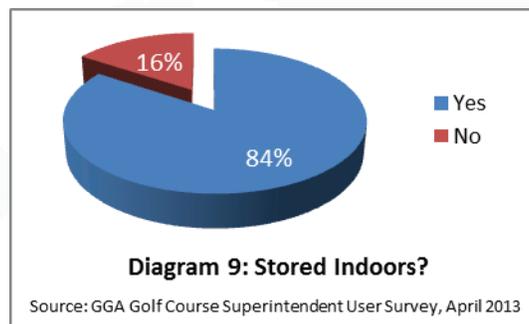
The majority of respondents (50%) own all of their equipment and do not lease from any source. Surprisingly, 19% of respondents do not take a strategic approach to leasing versus owning equipment, leasing high-use equipment and purchasing equipment with longer useful lives, and only 3% lease all of their equipment.



Mid-to-lower market public facilities, charging green fees less-than \$75, were more likely to have a random assortment of both owned and leased equipment.

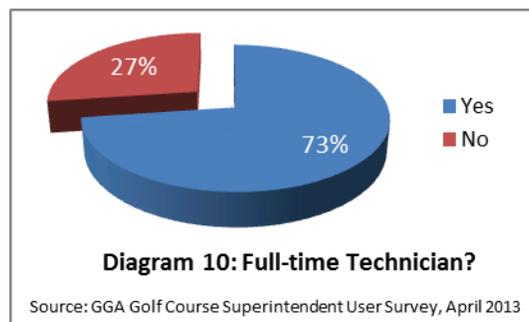
Q. IS YOUR EQUIPMENT STORED INDOORS?

There does not appear to be a correlation between facility location and equipment storage: 55% of courses that store equipment outdoors are in northern regions maintaining cool-season grasses.



Q. DO YOU HAVE A FULL-TIME EQUIPMENT TECHNICIAN?

The majority of respondents (73%) have a full-time equipment technician. Most courses that do not have a full-time equipment technician are public courses at the mid-to-lower-end of the market charging green fees less-than \$75 (94%); 81% charge green fee rates between \$25 and \$74 and 13% charge green fee rates under \$25.

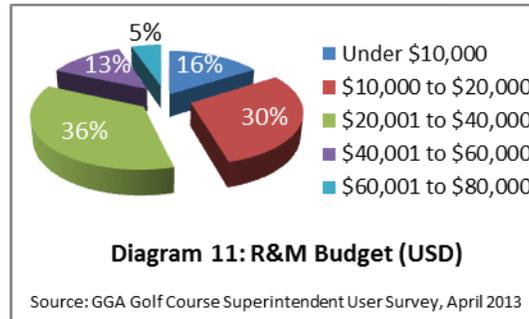


Q. PLEASE INDICATE WHAT YOUR AVERAGE ANNUAL REPAIRS AND MAINTENANCE BUDGET IS FOR GREENS MAINTENANCE EQUIPMENT.

The majority of respondents (66%) indicate that their facility spends between \$10,000 and \$40,000 on repairs and maintenance ("R&M") for greens maintenance equipment.



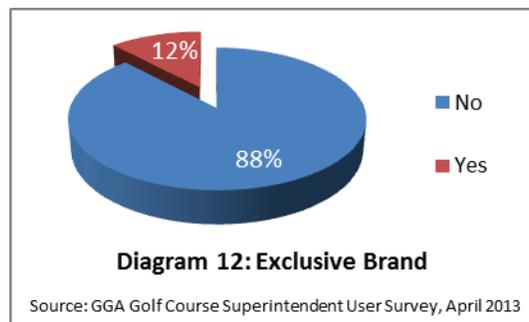
Only 5% of respondents indicated that their annual R&M budget was more than \$60,000.



There was a significant correlation between type and market position of a course and the size of its annual R&M budget. The majority of respondents indicating an annual R&M budget less than \$10,000 (16%) were from public courses with green fees less than \$75. The majority of respondents with an annual R&M budget more than \$40,000 (13%) were from private courses. Most respondents with an annual R&M budget of more than \$60,000 (5%) were from public and private courses with green fees in excess of \$175.

Q. DO YOU USE ONE BRAND OF EQUIPMENT EXCLUSIVELY?

Only 12% of respondents indicated that they use one brand of equipment exclusively. Of the 12% that use one brand exclusively, 53% are public courses, 33% are semi-private courses and 14% are private clubs.

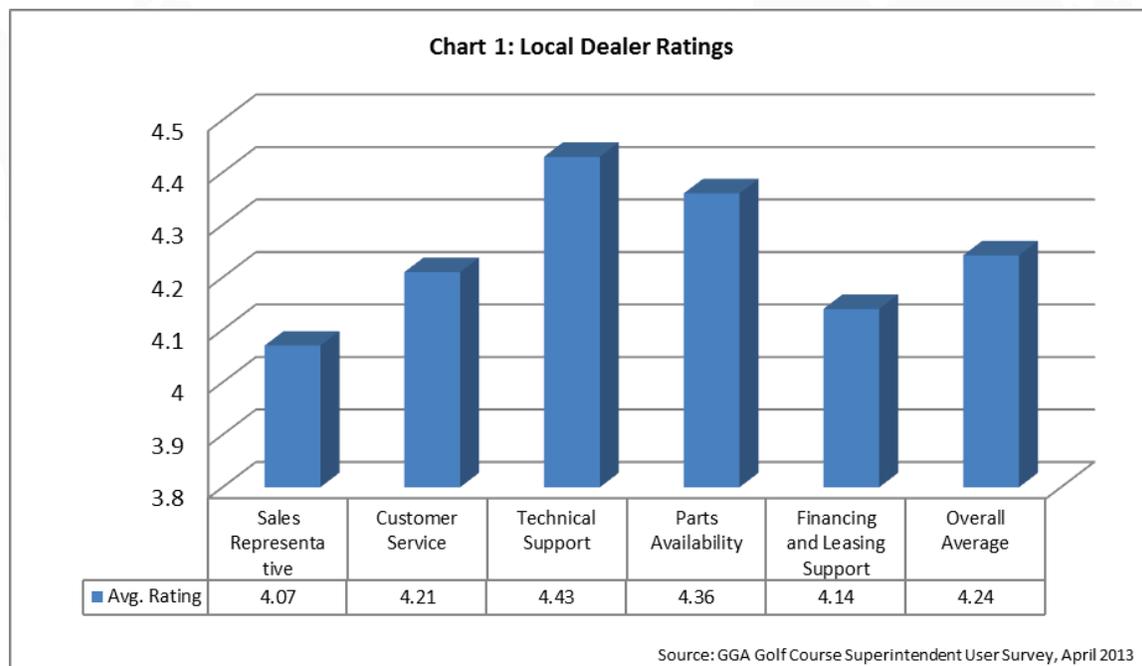


Q. IF YOU USE ONE BRAND EXCLUSIVELY, PLEASE RATE YOUR LOCAL DEALER IN THE FOLLOWING AREAS ON A SCALE OF 1 TO 5: "1" = POOR, "5" = EXCELLENT.

Overall, sales representatives scored the lowest and technical support scored the highest across all dealers. The overall results indicate three important points of opportunity that distributors should focus efforts on: (1) improving sales representation,



(2) support for financing and leasing availability, and (3) maintaining equipment in sound condition.



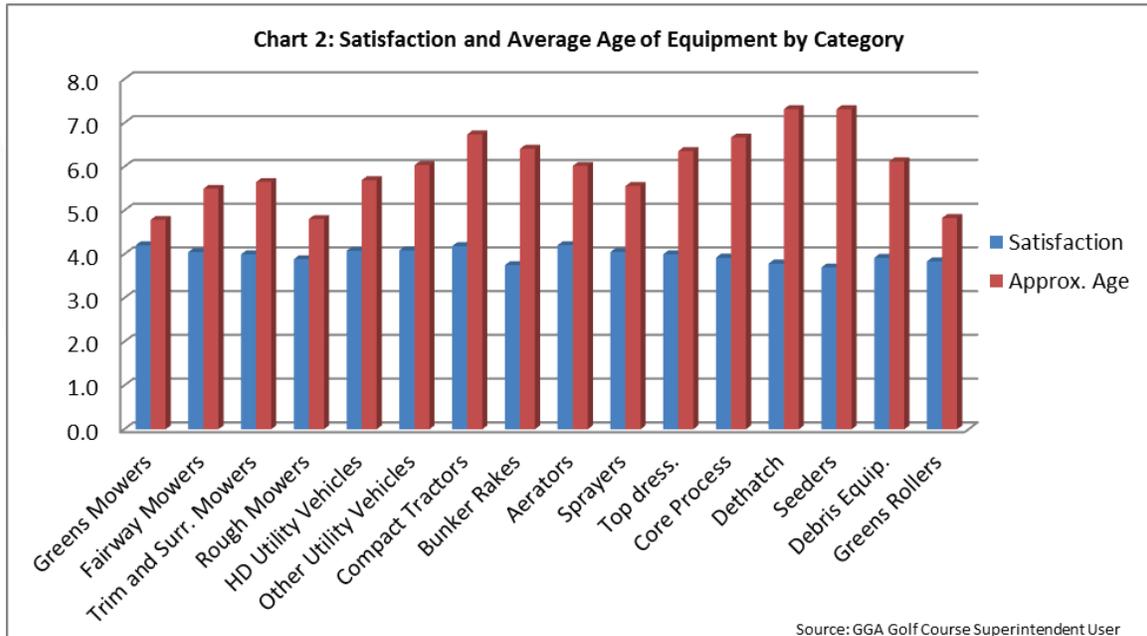
Q. PLEASE PROVIDE DETAILS ON AND RATE YOUR SATISFACTION WITH EACH GREENS MAINTENANCE EQUIPMENT CATEGORY CONSIDERED IN THIS SURVEY ON A SCALE OF 1 TO 5: “1” = POOR, “5” = EXCELLENT.

Overall, greens mowers, compact tractors and aerators received the highest satisfaction ratings by category of equipment at 4.2 out of 5, with bunker rakes receiving the lowest at 3.8 out of 5.

There was no category of equipment that received an average rating below 3.8, indicating a general level of satisfaction across categories. An average rating below 3.75 out of 5 typically signals an area where satisfaction levels are not keeping up with expectations, indicating an area of concern that needs to be addressed.

The results illustrated in Chart 2 below point to categories that may require improvement; however, they do not signal an overly significant difference between satisfaction levels and expectations across any of the equipment categories evaluated.





Respondents reported that greens mowers, greens rollers and rough mowers at their courses have the lowest average age of all categories of equipment evaluated. Compact tractors, dethatchers and seeders have the highest average age. The results were as expected, with daily use cutting units, utility vehicles and sprayers having the lowest average ages.

Interestingly, bunker rakes had the highest average age of all high-use equipment categories, intuitively prompting GGA to investigate a potential correlation between the lower satisfaction ratings given to bunker rakes and the higher average age; however, detailed analysis indicates that no correlation exists.

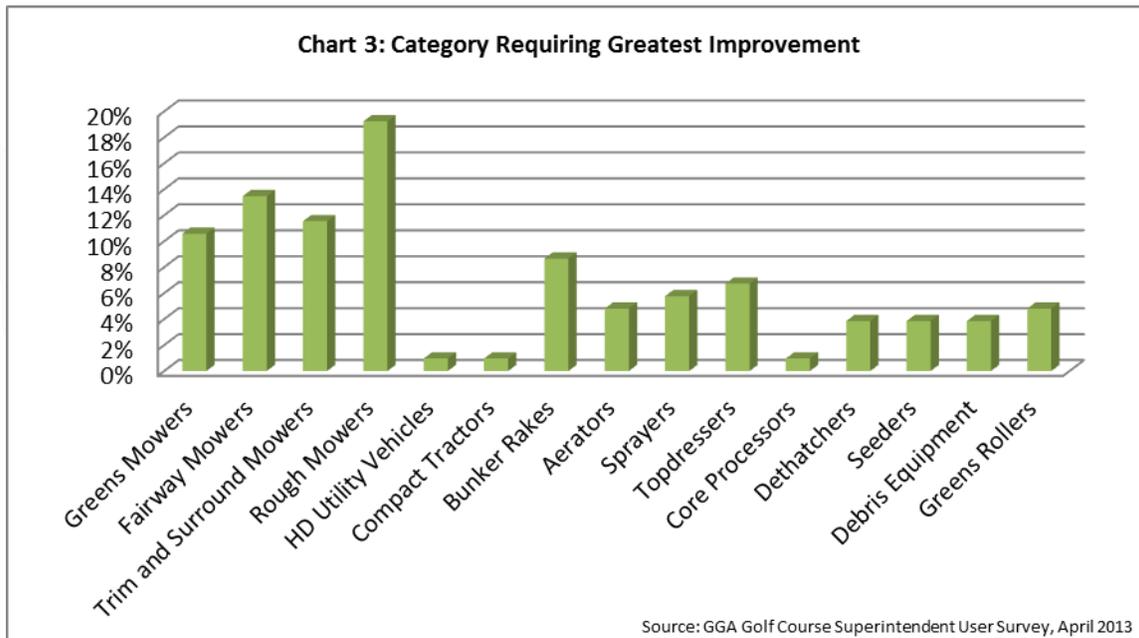
UNMET PRODUCT NEEDS PROFILE

Q. WHAT CATEGORY OF EQUIPMENT REQUIRES THE GREATEST AMOUNT OF IMPROVEMENT?

The majority of respondents (55%) indicated that rough mowers require the greatest amount of improvement among several equipment categories.

- 1) Rough Mowers
- 2) Fairway Mowers
- 3) Trim and Surround Mowers
- 4) Greens Mowers





Superintendents indicated that improvements to equipment utilized for daily mowing and raking activities are of the highest importance. Equipment used for improving turf health - topdressers, sprayers and aerators - were rated as the next most important equipment requiring improvement.

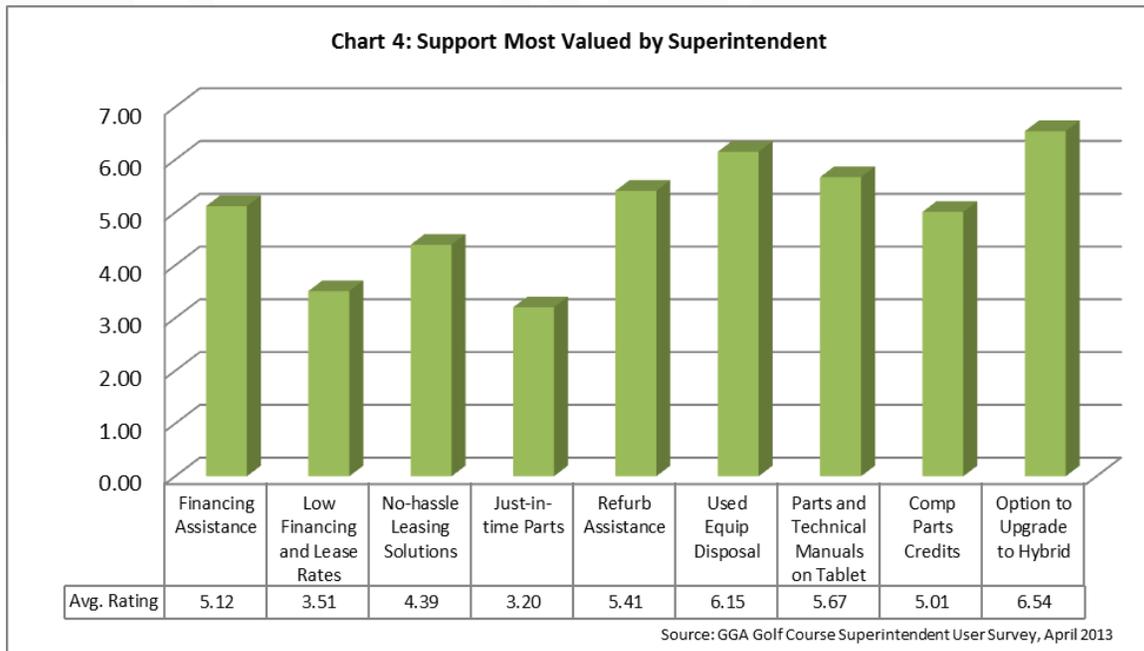
Interesting to note, private clubs ranked trim and surround mowers as requiring the greatest amount of improvement, ahead of rough mowers. Semi-private courses ranked greens mowers as requiring the greatest amount of improvement, ahead of rough mowers. The courses with green fees higher than \$125 or less than \$25 did not have a particular equipment focus for improvement, although, the higher-end courses focused more on trim and surround mowers.

Q. WHAT TYPE OF SUPPORT WOULD YOU VALUE THE MOST FROM YOUR EQUIPMENT SUPPLIER (DISTRIBUTOR OR MANUFACTURER)? PLEASE RANK IN ORDER OF IMPORTANT FROM 1 TO 9 with "1" BEING THE MOST IMPORTANT AND "9" BEING THE LEAST IMPORTANT.

- Financing assistance.
- Low financing and lease rates.
- No-hassle leasing solutions (warranty, annual service and pm work included for the duration of the lease).
- Just-in-time parts.
- Refurbishment assistance.
- Used equipment disposal.



- Parts and technical manuals loaded on iPad (or similar tablet) and included in price.
- Complimentary parts credits at time of purchase/lease.
- Option to upgrade to hybrid units at no cost.



Superintendent respondents indicated that just-in-time parts are the most valued support that equipment suppliers could provide, with low financing and lease rates a close second. Next in line and the third most valued support related to no-hassle leasing solutions with warranty, annual service and preventative maintenance work included for the term of the lease.

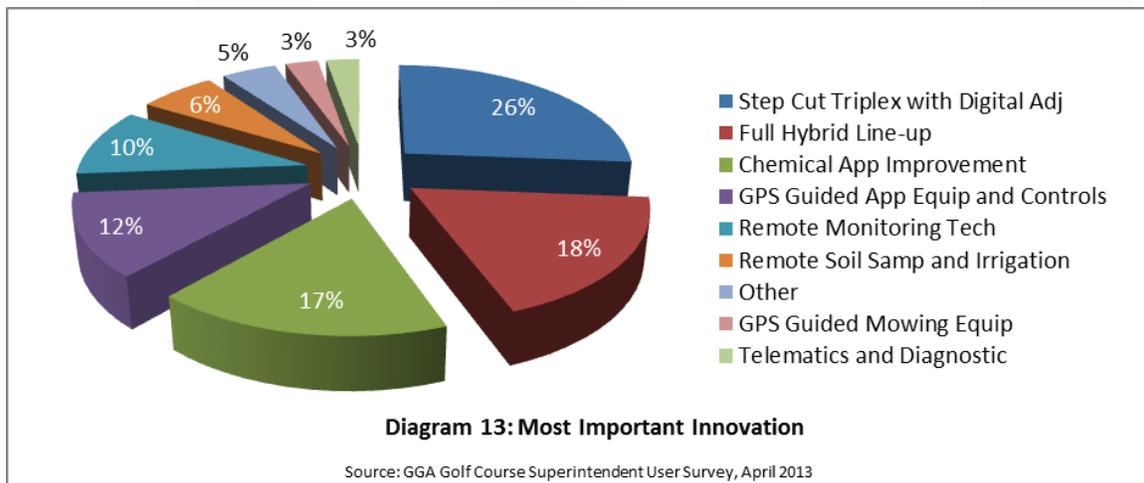
Respondents indicated that no-cost hybrid upgrades are the least-valued support that their equipment supplier could provide, with used equipment disposal services a close second and refurbishment assistance the third least-valued form of support. These results indicate the importance of zero down-time, exceptional conditioning and budget consciousness.

Q. PLEASE SELECT FROM THE LIST BELOW WHAT YOU BELIEVE TO BE THE MOST IMPORTANT INNOVATION FOR GREENS MAINTENANCE EQUIPMENT OVER THE NEXT TEN YEARS.

- Back to basics: Step-cut triplex unit with digital height adjustment to cut greens, collars and tees with the same unit.



- A full lineup of hybrid equipment.
- Precision GPS guided mowing equipment and controls including guidance, section control, remote sensing, yield monitoring and spatial data management.
- Precision GPS guided application equipment and controls including guidance, section control, remote sensing, variable rate application, yield monitoring and spatial data management.
- Chemical application equipment and management practices focused on drift control and optimum on-target product applications.
- Remote monitoring technologies.
- Remote soil sampling and automated irrigation.
- Telematics machine utilization information and remote equipment diagnostics with direct technical assistance from the manufacturer.
- Other.



The most important innovation for maintenance equipment over the next ten years should be a move back to basics: a step-cut triplex unit with digital height adjustment to cut greens, collars and tees with the same unit. It is easy to understand the superintendents' logic: this type of equipment will help to reduce overall equipment profiles and possibly equipment budgets, while reducing labor budgets.

Interesting to note, the results did not change based on the type of course (public, private, semi-private). However, respondents at courses with green fees higher than \$75.00 favored chemical application improvements through application controls (drift/on-target controls), GPS guidance, monitoring and reporting assistance, as well as a full lineup of hybrid equipment over a step-cut triplex unit with digital height adjustment.



SUMMARY OF RESULTS

Superintendents are responsible for the conditioning and maintenance of their golf course and are charged with maintaining and enhancing the franchise value of the facility's most valuable asset. In order to protect the franchise, superintendents face competing demands to reduce expenses and improve the bottom line while maintaining superior conditions and competitive advantage. The golf course maintenance unmet product needs survey results demonstrate both the superintendents' commitment and struggle with these competing demands.

Innovations must help superintendents to do more with less. The greatest support equipment suppliers can provide golf course superintendents and the most important innovations for maintenance equipment over the next ten years must focus on helping golf courses do more with less.

Back to basics. The most important innovation in the eyes of superintendents over the next ten years would be a move back to basics: a sophisticated step-cut triplex unit with digital height adjustment to cut greens, collars and tees with the same unit. A versatile step-cut triplex unit will help reduce overall equipment profiles, equipment budgets and labor budgets while maintaining conditioning capabilities.

Just-in-time access. Superintendents value just-in-time parts and low-cost leasing and financing solutions from equipment suppliers above all else. These solutions allow superintendents to maintain conditioning and reduce costs by helping to control downtime, reducing on-hand parts inventory levels and reducing the overall cost of equipment.

Bunker rakes need improvement; but mowers remain a top priority. Although bunker rakes were given the lowest satisfaction rating among core golf equipment, respondents rated mowing equipment as a higher priority for improvement. Respondents believe mowing equipment requires the greatest amount of improvement by the manufacturers, with priority given as follows:

- 1) Rough Mowers
- 2) Fairway Mowers
- 3) Trim and Surround Mowers
- 4) Greens Mowers

The majority of respondents own all of their equipment. Only one-in-five (19%) take a strategic approach to leasing versus owning equipment and only 3% actually lease all of



their equipment. Lower market public facilities are more likely to have a random assortment of owned and leased equipment.

Geographic location and equipment storage practices are not weather- dependent.

There does not appear to be a correlation between a golf course's geographic location and how its equipment is stored. More than half (55%) of the respondents that store their equipment outdoors (16%) are located in a northern region and maintain cool-season grasses.

Most public courses do not keep full-time equipment technicians. Nine-in-ten (94%) mid-to-lower-end daily fee courses lack full-time technicians. Overall, 73% of respondents have a full-time equipment technician.

Most courses spend between \$10,000 and \$40,000 annually on equipment repairs and maintenance. The majority of respondents (66%) indicated that their golf course spends between \$10,000 and \$40,000 on repairs and maintenance for greens maintenance equipment. Only 5% of respondents indicated that their annual repairs and maintenance budget was more than \$60,000.

Brand loyalty is weak for golf equipment. Only 12% of respondents indicated that they use one brand of equipment exclusively.

Equipment distributors are generally weak in sales support and strong in technical support. Sales representatives scored the lowest and technical support scored the highest across dealers that service an exclusive equipment arrangement.



ABOUT GLOBAL GOLF ADVISORS

Global Golf Advisors provides highly specialized consulting services to the international golf, private club, real estate, resort, and investment communities. Headquartered in Phoenix (US), Toronto (Canada) and Dublin (Ireland), GGA offers its services in five strategic categories: i) Corporate Strategy, Financial Engineering and Transaction Advisory, ii) Asset Management, iii) Performance and Operations Consulting, iv) Club Membership Programs & Solutions, and v) Strategic Marketing and Business Planning. The Firm takes a 360-degree view of financial, management and operational issues before developing a strategic plan that establishes benchmarks for success and identifies potential outcomes of recommended actions. In its 20-year history, GGA has consulted on more than 2,300 golf-related projects worldwide. For more information, please visit www.globalgolfadvisors.com or call 1.888.432.9494.

