

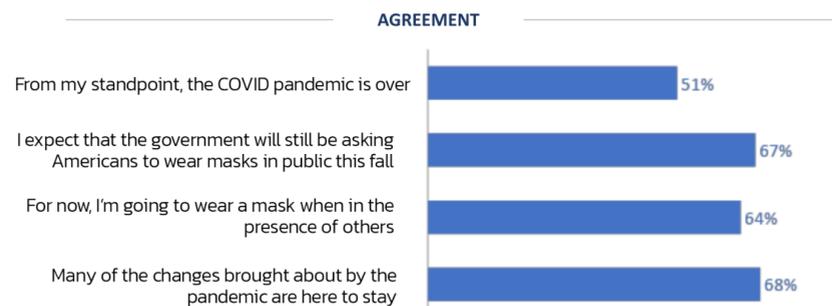
# GOLF PARTICIPATION SURGE SUSTAINABILITY LOOKS GOOD AS WE ENTER THE SUMMER | JULY 2021

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Our nationally acclaimed Back to Normal Barometer study has been consistently pulsing U.S. consumer attitudes since the onset of the COVID 19 pandemic. We've observed how several COVID related phenomena have directly and positively impacted the rounds growth and bullish attitudes about the present state of golf participation. It has been widely documented how golf has been able to successfully position itself as one of the few viable options for outdoor recreation and socialization, particularly during the more restrictive, peak waves of the pandemic. The ultimate question that golf facility operators and other stakeholders continue to pose, has centered around the sustainability of the surge in participation that the industry enjoyed throughout 2020. Having tracked golfer participation intent and attitudes for over two decades and coupling this historical trend data with the ongoing Barometer tracking work, we maintain our perspective that positive conditions will continue to be present for golf participation throughout the balance of the 2021 season. There are a number of positive factors and trends that we are seeing, even as most of the country relaxes restrictions and people begin to act upon the latent demand for a litany of leisure activities that continued to build through the first and second quarter of this year.

## Half of the Nation Feels that The Pandemic Is Over....But Masks aren't Going Away

BACK-TO-NORMAL BAROMETER 2021

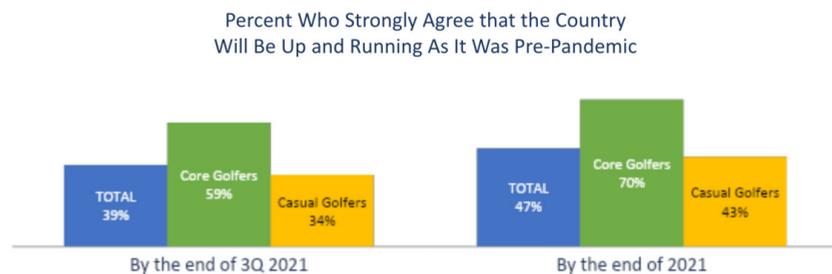


First and foremost, we are finding that despite a demonstrative return to favorite leisure activities, both the qualitative and quantitative components of the Barometer are showing a lingering "COVID hangover" that sees a significant proportion of Americans emerging from their shells, but doing so with caution and an acknowledgement that the pandemic and its impact are far from over in dictating consumer behaviors, as shown in the chart to the left.

Looking further at this phenomenon, the next chart (left, below) illustrates those who strongly believe that we will be back to pre-pandemic conditions at the end of both 3Q and 4Q respectively. Asked to estimate conditions on a ten point scale, where "1" indicates total lock down and "10" indicates total pre-pandemic normal, you can see that less than half of active Americans see us at an 8-10 by the end of the year, compared with a majority of core golfers. It is interesting to observe that casual golfers are less bullish than either of the other segments shown. One can infer that if the less avid, casual segment is more apt to see us not back to normal, they are more likely to cling to those activities that they have already engaged with during pandemic conditions...a positive sign for continued retention over the next several months of the calendar year.

## Only About Half Sees the Country Up and Running At Pre-Pandemic Levels by the End of the Year or Q1 2022

BACK-TO-NORMAL BAROMETER 2021



And what about the core and avid golfer segments. Our data has consistently shown that those segments driving the greatest proportion of golf rounds and revenue have been more bullish than active Americans as a whole, throughout the pandemic. Will they reduce their commitment to golf, as other options open? The latest, mid-June Barometer findings do not show any signs of golf participation dissipating. As the final chart (below) shows, both recent and intended play for these segments are showing the buildup in engagement that we would hope to see as we enter the peak Summer months, as well as a positive year over year comparison. Couple this with a majority reporting more new golfers playing now than a year ago and 45% strongly agreeing with the sentiment that the golf course where I play most is very busy right now, and discounting any negative weather implications, these leading forward looking indicators suggest that present demand remains strong.

While the implications for golf facility operators suggest that there remains strong opportunity for both customer retention and conquest, a major question posed by many of our Barometer subscribers in the broader travel and hospitality sectors surrounds the proper tonality for marketing messaging. Unfortunately there is no magic bullet here, as different customer segments have varied in their responsiveness to messages that alternately emphasize "COVID liberation" vs. a continued focus on safety and empathy. As always, it goes back to understanding the specific need states and drivers of enjoyment most resonant to each segment.

## Participation Trending up and Ahead of YAG Results

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