"It's Personal"

KNOW YOUR CUSTOMER TACTICS

GOLF 2.0

ACTION STEP 1: RELATIONSHIP-BUILDING TACTICS

Meet with staff at your facility. Discuss the importance of customer relationship building. Assess your current services and communication. Agree on action steps needed to improve.

TACTICS TO EXECUTE:

1. **Invite every member (for facilities with a membership component) to attend an appointment, to get their feedback on club operations.**
   - Purpose is to improve their experience at the club, by learning everything you can about their satisfaction and club usage patterns.

2. **Train staff to proactively greet and welcome every customer.**

   Any new customer should be shown where to go to:
   - Change their shoes and find the locker room
   - Get food and beverage
   - Check in for the round
   - Warm up at the practice facility
   - Get to the first tee

3. **Encourage customers to return to the facility.**
   - Get them to book a future tee time or attend an upcoming event while the customer is on property.

4. **Encourage existing customers to spread word-of-mouth referrals to participate in your player development programming.**
   - Customers should be asked to refer their friends, family and colleagues.
   - An incentive to the existing customer may help do this. An example incentive may be, refer a friend to Get Golf Ready, and upon their completion of the program you'll receive a $50 gift certificate.

5. **Increase the frequency of service interactions (total numbers of times that employees interact with customers) from staff to customers – the more the better.**

6. **Improve the quality and reliability of service interactions from staff to customers.**

- Staff should memorize customer faces and call them by their appropriate name.

- Staff should take notes (preferably in an electronic customer record that allows other staff to see these notes) of what the customer likes and dislikes and staff should converse about these preferences with the customer (how your new driver is, or how your recent trip was). These customer preference notes should be recorded for every customer.

7. **Improve your service failure rates and handling practices when a service failure occurs and impacts the customer experience.**

- Investigate how often do service failures occur?

- What percentage of service failures is the customer bringing to staff's attention, versus the staff proactively recognizing and approaching the customer about the failure and what they're doing to improve the situation?

- If the customer approaches a staff member with a complaint, what percentage of times does the staff member defend why the problem happened, instead of offering a solution? Reduce or eliminate complaint defenses from staff. Staff should communicate with the customer in regularity about how you're solving their problem, until it is resolved.

    FOR EXAMPLE: If a customer is complaining about the slow play on the course, does the staff respond that their marshal called in sick and that's the reason why there weren't any on-course marshals for their round (a complaint defense)? Hopefully, the response is one where a resolution is made through the lens of the customer. If the complaint is received after the round was played, the staff should provide some value-added benefit that will make up for the cus-tomer's bad experience on the golf course. This is important as it will let the customer know that you appreciate them and that you're sincerely sorry that they had an experience that fell short of their expectations.

- What percentage of service failures is the staff offering something of value that is commensurate with the level of the service failure, to fix the problem through the lens of the customer?

8. **Provide all customers a friendly greeting and positive first impression.**

- Provide all customers with SERVICE (**S**mile, **E**ye contact, **R**eady & alert, **V**erbal acknowledgement, **I**ntroduce yourself, **C**ourteous, **E**nthusiastic attitude)

9. **Request feedback from customers about their experiences.**

- Ask customers about their satisfaction and usage patterns of key facility revenue centers (golf, f&b, fitness, pool, tennis, clubhouse and grounds).

10. Understand who your customer is and what their needs are.

Purpose is to cross-sell/up-sell other functions and events that may be of interest to the customer. Key questions that you should be able to answer to help you understand who the customer is and what their needs are include:

- **Their family**

  | Are they married? Do they have children?

- **Their work**

  | Where do they work? How many golfers do they know at work?

  | Do they influence where work meetings and banquets take place?

- **Their facility usage patterns**

  | Do they play regularly and do they have family members who play regularly?

- **Their equipment**

  | When were they last custom fit?

  | What specific club was their most recent purchase and what club has been in their bag the longest?

11. For every tee time that is made, a staff member should tell the customer what they should be expecting when they arrive at the course.

- Expectations should be set for course conditions, pace of play, and availability of food & beverage service.

ACTION STEP 2: CUSTOMER DATABASE DEVELOPMENT TACTICS

Organize your customer records and establish a solution for building and maintaining customer information.

TACTICS TO EXECUTE:

Building a top-tier customer database should first occur through your point-of-sale system and electronic tee sheet. Your customer database can also be supplemented through a customer survey.

1. First, determine if your current database provides you the ability to collect and access the crucial data points:

   The crucial data collection points include:

   PERSONALLY IDENTIFIABLE INFORMATION
   - Unique customer record number
   - First name
   - Last name
   - Cell phone
   - Email

   CUSTOMER DEMOGRAPHIC DATA
   - Gender
   - Approximate age – Month and day of year can be helpful for marketing and communicating with customers to wish them a happy birthday.
   - Zip code
   - Customer segment – Example segments may include; Local Player, Outing Golfer, League Player and Discount Card Holder

   CUSTOMER TRANSACTION DATA
   - Unique customer record number
   - Transaction date
   - Transaction time
   - Sales department of item purchased

- Sales category within department of item purchased
- Product model/specific type of item purchased
- Cost of item purchased Rack/facility retail price for item purchased
- Discount from rack rate for item purchased
- Did they play a round?
- Were they the tee time booker or accompanier?
- Number of other golfers in their group
- Staff member who served the customer
- Names of golfers in their typical group
- Did the customer present a coupon or special offer for their round/purchase? If yes, source the campaign that generated the activity

The crucial data points need to be accessed to easily report the following for each customer:

AGGREGATE PURCHASE HISTORY
- Customer record number
- First purchase date
- Most recent purchase date
- Number of times a purchase is made by day of week
- Number of times a purchase is made by hour of day
- Total number of items purchased by sales department
- Total number of items purchased by sales category
- Total number of items purchased by product model/specific type of item
- Total cost of all items purchased
- Total facility retail price for all items purchased
- Total discount from facility retail price for all items purchased
- Average discount percentage for all items purchased
- Total number of rounds played
- Total number of rounds the customer was the tee time booker
- Percent of rounds the customer played which they were the tee time booker (daily fee, municipal and resort facilities only)
- Number of other customers brought to the facility from rounds the customer was the tee time booker
- Number of weekday rounds played
- Number of weekend rounds played
- Number of morning rounds played
- Number of afternoon rounds played

2. Develop systematic processes to collect, integrate and maintain the crucial data points:

CUSTOMER SURVEY DATA

- Incorporate customer survey data into your customer database by creating fields in your database, based on your customer survey questions.
- Export your customer survey results into a spreadsheet and then import your spreadsheet into your customer database.

  | Make sure column names in the spreadsheet match the field names in the database to which you're importing records.

  | If your P.O.S. system doesn't permit this automatic import of data from a spreadsheet, you may be able to manually input the survey results into each customer's record in the database.

  | Your P.O.S. or systems integration provider may be able to assist you.

Database Collection Procedures:

PRIVATE CLUBS

- Collect and pair purchases with the corresponding member record for the member making the purchase. Even if your facility doesn't use tee times, keep detailed records of each member's round (time/date of play and who they played with).

DAILY FEE/MUNICIPAL AND LOCAL CUSTOMERS AT RESORTS

- Offer an incentive to the customer for their personal information and continue to offer an incentive to reward them for providing their contact information for each transaction they make. The easiest way to do this is to use a P.O.S. system that has a frequency tracking card function. Every customer should be welcomed by the staff and asked if they have ever played the course before. If the answer is no, the customer should be informed of the benefits they'll receive by signing up for further communication from the facility with your frequency tracking card (sometimes referred to as a loyalty card).

- Benefits should include ease of check-in for future rounds, ease of scheduling a tee time and additional value-added benefits to induce customers to play more. It's suggested that your card system have multiple-tier levels. Provide your best benefits to the highest-tier level and communicate with customers regularly on how many more rounds they need to play to reach the next higher tier level and what further benefits they'll receive when reaching the next tier level.

   FOR EXAMPLE: Your facility has three levels of card holder benefits: Silver, Gold and Platinum.

   | Silver card customers receive a free bucket of balls once a month and a 5% discount on golf shop merchandise.

   | The Gold card is for customers who have played 10 or more rounds within the last 12 months. These customers will receive a free warm-up basket of balls before each round they play and a 10% discount on golf shop merchandise.

   | The Platinum card is for customers who have played 25 or more rounds within the last 12 months. These customers will receive a 15% discount on golf shop merchandise and green fees, an extra day booking window for reserving tee times and twilight rates beginning thirty minutes earlier than normal.

HOTEL GUESTS AT RESORTS

- Collect customer and transaction records. Depending on your hotel P.O.S. system, you may be able to automatically collect this information on any charges made to the room. If this automatic report is not available, you should still be able to easily track customers by asking them to provide their room number when checking in for their round at the golf shop.

- An effective incentive to help customers provide room information is offering a small discount to hotel guests on golf fees. When checking in the customer, create a customer record containing the last name of the customer and their room number. Then on a quarterly to semi-annual basis, reconcile your facility's customer file (containing customer name, date of sales transaction and room number) with the hotel's guest file to collect additional personally identifiable information about the customer. This reconciliation will alert you if that customer record was a new customer or a repeat visitor. For all repeat visitors, transfer their transaction history from that visit to their historical customer record.

ACTION STEP 3: COMMUNICATING WITH YOUR CUSTOMER DATABASE TACTICS

Use digital and social media to stay in touch with your customers. Create compelling content and messages. Conduct regular customer satisfaction surveys including open-ended feedback.

TACTICS TO EXECUTE:

1. What to communicate:

ABOUT YOUR FACILITY

- Informing messages should promote all of the centers that your facility offers (golf, f&b, banquet/meeting facilities, fitness, pool and tennis).

CURRENT NEWS AND EVENTS

- Provide a calendar of upcoming events so customers can view, by day, what's happening at the facility. The events should be categorized by department with separate areas of content for golf leagues, outings, parties, special dining events, fitness, pool and tennis.

FUTURE FACILITY PLANS

- Communicate future programs, capital expenditure plans, upcoming course maintenance and days when the course or facility may be unavailable for general use. Letting customers know what your future facility plans are, is particularly important when closing the loop with customers after asking for their feedback, through a customer survey or from customer/member interviews. Convey back to customers what you heard and the steps you're taking to improve their experience.

PLAYER DEVELOPMENT PROGRAMS

- Inform customers about the benefits of how your Player Development programs will help them get better through Get Golf Ready 2. Also use your current golfers to recruit their friends and family who don't play to enroll into your Get Golf Ready program. Get Golf Ready is a proven tactic to create new golfers, and Get Golf Ready 2 is a tactic to help improve the retention rate of golfers and keep them playing.

SPECIAL OFFERS/PROMOTIONS

- It's vital to regularly cycle the offer/promotion so that it is of value to all customer groups. A calendar charting out your marketing of offers/promotions and the audience for each offer can be helpful to ensure you're regularly cycling your messages.

REQUEST CUSTOMER FEEDBACK/CUSTOMER DISCUSSION

- You can use a poll, a customer survey, a message board post or request feedback on a topic within social media to hear opinions and spark discussion about your facility.

2. How to communicate:

<u>EMAIL</u>

- Have an outcome goal of what you want the customer to do.

- Have a compelling subject line.

- Present a professional appearance through your email; managing the design, font, borders, graphics and photography of your message.

- Track customer engagement by monitoring open and click-through links.

- During peak season, daily-fee and municipal facilities should communicate weekly, private clubs should communicate every 15-30 days and resorts should communicate every 30-60 days with customers.

- Manage your list after each email campaign:

  | Honor all unsubscribe requests promptly.

  | Remove distribution email addresses such as webmaster@company.com.

  | Remove any email address with the word "spam" in it.

  | Correct any obvious misspellings in any email that bounced such as: ben@gmail.com.

  | De-dupe your list to ensure subscribers only receive one copy of your email message (this may or may not be automatically handled by your email marketing program).

  | Remove addresses that generate a hard bounce (undeliverable) immediately.

  | Monitor addresses that generate a soft bounce. If it is repeatedly bouncing, remove it.

  | Remove any subscriber who reports your message as spam.

- Email design and facility branding:

  | Keep your message under 40K.

  | Have all important messaging and main calls to action at the top of the message.

  | Have both text and images in the message, instead of sending just one big image.

  | Keep images in .gif or .jpg format; include height and width parameters for all images.

  | Use background colors in both the body and tables.

  | Keep images on a web server and make sure your image links contain the full URL, not just the local reference.

  | Make sure your font color is a different color than your background color so that your text is visible.

  | Don't attach files to your message. Any important files should be downloaded through a link and the file should be stored on your server.

  | Send yourself a test message before sending and carefully proofread your test message.

  | Create a library of email templates for future use, so that your future campaigns have a consistent look with historical campaigns.

  | Have your facility's name in the "From" line of any broadcast email message.

  | Keep your logo on the top left corner of the email message.

  | Your physical address and an unsubscribe link must be on the email.

TEXT

- Contract with a text message marketing company that will provide you a shared short code. This will allow you to get started immediately and for the lowest cost.

- When selecting a keyword or keywords, keep these factors in mind:

  | Select a keyword containing the name of your facility.

  | Select short keywords, try to have your keyword be eight characters or less.

- Can your customer memorize your keyword? This is important to ensure customers can easily opt-in to your text message program.

- Create a welcome message that the customer will receive when texting your keyword to the short code. The welcome message should communicate:

  | That the customer has just subscribed for your text message program.

  | How many messages consumers should expect to receive from your text message program (should be less than six per month).

  | That costs may apply, as not all consumers have a texting plan.

  | A way for consumers to unsubscribe from your text message program.

- When texting, have a plan for your messaging:

  | What is the value for joining the text message club?

  | What is the value you're offering for each promotion?

  | Do your campaigns contain periodic offers that are relevant to all consumer groups?

WEBSITE

- Your facility logo should be on the top left corner of your website.

- The facility's phone number and address should be prominently listed on the site.

- Have a clear call to action of what you want the visitor to do – daily fee, municipal or resorts should have a call to action for booking a tee time. Private clubs may have a call to action to log into the member's section of the site. The call to action should be on the top of the page.

- Your website should have five or six links listed horizontally across the top or vertically across the left side.

- The website should load quickly. If you have a photo introduction tour, there should be a button that says "Skip Intro" somewhere on the top of the page, so that repeat visitors can skip the intro.

- You should capture customer preferences through a preference profile survey. Offer an incentive to customers to complete their customer profile, which includes all of their preference information.

- The website should have detailed text written about your facility, which serves two purposes:

  | Informs the customer about your facility.

  | Improves your website ranking for search engines.

SOCIAL MEDIA

- Use social media to communicate current news and events.

- Facebook is good for exchanging images, videos, special offers and for booking of tee times. Facebook is also good for customers to share their positive experiences with other customers.

- When using social media consider:
  | Who is your audience?
  | How much resources do you have to manage your social media?
  | What is the desired content that you want to discuss?
  | Frequency schedule of your messaging – If your attention begins to slip on your social media, your customers will see it, and they'll stop paying attention to you.
  | Privacy issues – Simply put, any message should be considered public information if it's on a social media site that is not owned by you, even if the site appears to be a secure environment. Facebook has frequently changed its privacy policies and these changes have resulted in postings that were intended to be private, but which ultimately become public.

- Social media tools to use:
  | Polls
  | Ratings/reviews
  | Moderated questions
  | Instructional videos (Facebook and YouTube)
  | Discussion boards
  | Facility news and events
  | Chat

CUSTOMER SURVEY

- Use The PGA of America's sample customer survey listed in the appendix of the Know Your Customer Playbook. (Refer to page 107 for a *sample private club survey* and refer to page 111 for a *sample daily fee/municipal facility survey.*)

- Track customer satisfaction scores, customer counts, average rounds played per customer and average spending per customer.
  | Total count of customers can be calculated by asking your customers in the survey: "How many rounds have you played only at _____ Golf Club in the past 12 months?" Divide your total course rounds for the last 12 months by the average rounds per customer to calculate the total count of customers at your facility.
  | Develop a baseline number in the initial survey and use this number as a point of comparison to future survey results for trend analysis.

- Track verbatim comments. Any customer who provides a detailed verbatim comment with their contact information should be followed up with as soon as possible (preferably within 3 days) to communicate the following:

  | Thanking them for being a customer/member and visiting your facility.

  | Thanking them for their input on the recent survey.

  | Letting them know what you are doing to address their comment(s).

  | Providing the customer with an offer to make a new reservation. If the customer is making a complaint, provide them with an item of value that is commensurate with the level of that complaint.

- Categorize results into different customer segments using the "What best describes you" question.

- Promote your survey to your email database. Supplement the response to your email blast by collecting email addresses on-site at the starter and other staff touch points. Business-style cards can help do this.

  | A tactic that can be effective to build email addresses is to offer the customer an immediate incentive for their email address. The incentive can be small, such as a logo ball, free soda or a free bucket of range balls.

  | Once you've grown your database to a higher number, this tactic can be discontinued. You should continue capturing new email addresses by promoting a frequency tracking card to new customers. See action step #2, and the tactic on "Develop systematic processes to collect, integrate and maintain the crucial data points" for more information on using frequency tracking cards.

- Track your total count of customers by customer segments. To do this, first calculate how many total customers you have at your facility. Next, multiply the percent of respondents for each answer choice to the "What best describes you" question by the total number of customers at your facility. This will determine your total number of customers by each customer segment.

ACTION STEP 4: CUSTOMER DATABASE SEGMENTATION TACTICS

Analyze and segment your customer information to identify various customer segments and profiles at your facility.

SEGMENTATION TACTICS TO EXECUTE:

The tactics listed here are expanded upon further in Action Step 5—CRM Marketing Tactics.

1. Customer demographics and skill groups

Segment based on:
- Gender
- Age
- Zip code
- Average score or handicap

2. Customer preferences

Segment based on:
- Tee time makers
- Tee time accompaniers
- Equipment vendors in the bag
- Apparel vendors in the closet
- Weekday morning players
- Weekday afternoon players
- Weekend morning players
- Weekend afternoon players

3. Recency, (the term recency refers to the date of the customer's most recent visit) Frequency and Monetary (RFM)
- Score your customers into a 1 to 3 scale for Recency, Frequency and Monetary.
- First, sort your database by Recency. Assign a 3 for customers in the top third of Recency, a 2 for the second third and a 1 for the bottom third.
- Follow this same process for Frequency and Monetary.
- Combine the scores for the three sorts to create one combined number.

- The first number denotes the Recency number, the second number is Frequency, and the third is Monetary.
- A higher number denotes a customer at a higher level for the corresponding category.

  For example: a customer with a Recency score of 3, a Frequency score of 1 and a Monetary score of 2 would be in group 312.

4. Share of wallet (for daily-fee, resort and municipal facilities only)

- You cannot use P.O.S. for this tactic, as this equation involves the number of rounds that a customer plays at competing facilities.
- The best way to calculate share of wallet is to conduct a customer survey.
- When conducting your customer survey, request customer feedback by inviting all customers to take the survey. Be sure to promote the survey at your facility, so customers who are playing a round will be asked for their feedback, but also invite all customers in your database to provide feedback by sending an email requesting their input.
- There are two questions to use in your survey to calculate share of wallet. First ask, "How many rounds have you played at _____ Golf Course in the last 12 months?" Next ask, "How many rounds have you played at all other golf courses in the area in the last 12 months?"
- Divide the number of rounds the customer has played at your course, by the number of rounds the customer has played at all golf courses (this is the sum of rounds from both questions) in the area in the last 12 months to determine the customer's wallet share percentage to your facility.

  | **FOR EXAMPLE:** A customer may say that they played 10 rounds at your course in the last 12 months. They may then say that they played 20 rounds at all other golf courses in the area in the last 12 months. As a result this customer's wallet share would be 33.3%, calculated by dividing the 10 rounds played at your course by the 30 rounds the customer has played at all area golf courses in the last 12 months.

- Segment your customers based on wallet share. Suggested categories to use are:

  | Less than 15% wallet share
  | 15% - 25% wallet share
  | 25.1% - 50% wallet share
  | Greater than 50% wallet share

5. Hot/cold customers

- Track customer's facility usage by quarter of the year.
- To do this, divide the facility's total number of quarters in the golfing season by the total number of rounds a customer plays in their average golfing season to calculate their average rounds played per quarter.
- Then compare the customer's average number of rounds played in a quarter, to what their actual rounds played were in the most recent quarter.
- If the customer's actual facility usage in the most recent quarter deviated by more than two rounds, they would be a hot (if the number went up) or cold customer (if the number went down).

6. Customer profit analysis

- The customer profit analysis is an annual tactic that you should use, to determine your gross margin for each customer (prior to overhead allocation).

- To do this, total up the customer's direct golf fee revenue (green fees, cart fees and range balls).

- Next, determine what your total facility costs are to produce golf. Include your total annual cost of golf course operation (payroll, equipment, supplies and debt service); total golf car fleet costs (annual lease/amortized acquisition costs, fleet maintenance costs, gas/electricity costs to power fleet); and your golf range operation costs (range balls, golf range maintenance and golf range equipment).

- Calculate the number of customers you have (through P.O.S. or through a customer survey) and calculate your cost per customer (total facility costs/number of customers you have).

- Finally, calculate your gross margin per customer prior to overhead allocation by subtracting your total annual direct costs per customer from the total golf fee revenue from each customer (this number changes from customer to customer).

    | Total annual direct costs per customer are calculated by dividing the total facility cost to produce golf, by the number of customers you have.

    | For an example, see the customer profit analysis on page 82 of the Know Your Customer Playbook.

- After calculating gross margin for each customer, determine what your average gross margin is for all customers. Then create four segments of gross margin per customer based on percentiles. The best way to do this is to list all customers in a spreadsheet and use a percentile formula for all customer records, evaluating the column of gross margin per customer. After calculating the percentile level of each customer on gross margin, group customers in four quartiles (top, second, third and bottom).

- You may have overlap in costs between a couple of categories. If you do, allocate the costs across both departments based on the percent of time or the amount of costs dedicated to the corresponding department.

- The periodic costs of equipment and golf car fleet should be included.

7. Customer satisfaction

- Run a customer survey and ask the Net Promoter question, which is: "How likely are you to recommend _____ Golf Course to a friend?" Ask the question on a scale of 0 to 10. Customers that respond with a 0 to 6 are Detractors, those with a 7s or 8s are Passives and those with 9s or 10s are Promoters. Close the loop with all Detractors by calling every Detractor. Let them know that you care about them, that you want to improve their experience, that you've heard their feedback and tell them the specific steps that you're working on which will result in a better customer experience.

- If they had a particularly memorable experience that caused them to become a Detractor, provide them an incentive commensurate with the level of the poor experience, to get them to return to your facility. You may need to offer a fairly high level of incentive (i.e. one free round of golf) to get them to come back.

- Track the percentage of customers in all three segments. Create more Promoters by providing both a better value proposition to the customer and a superior relationship between you and the customer. When the customer perceives both of these factors, then and only then, are the conditions present for a customer to be a Promoter. By improving the customer experience, you'll be able to track your progress through monitoring the results of your Net Promoter question. Creating more Promoters will result in a higher Net Promoter Score (proportion of 9s and 10s less 6s and below). This simple, yet proven method, will allow you to track the customer experience, through the lens of the customer at your facility.

8. Customer lifespan

- Categorize your database, based on the term of time someone has been a customer at your facility. The five suggested categories to segment your database for lifespan are:
  - | Three months or less
  - | Three months – one year
  - | One – two years
  - | Two – four years
  - | More than four years

ACTION STEP 5: CRM MARKETING PLAN TACTICS

Create tailored offers for customers in the customer segments at your facility and based on recent customer behavior.

MARKETING TACTICS TO EXECUTE:

1. **Before sending any offers, first determine goals and objectives by conducting a SWOT (Strengths, Weaknesses, Opportunities and Threats) market analysis**

   • Use the Market Analysis Matrix on pages 92 and 93 of the Know Your Customer Playbook as a form to complete for mystery shopping your facility and your competition.

2. **Customer demographic group targeting**

   • Market to different demographic groups with messages intended for specific golfing ability, zip codes, genders and age ranges. Zip codes can allow you to target either local customers or out-of-area residents.

3. **Tee time makers (for daily fee, municipal or resort facilities only)**

   • These customers are special as they are likely delivering your facility more rounds played than just theirs. They bring you their rounds and all of the rounds played from other players in their group.

   • Obviously, tee time makers for group golf events and outings are even more special, as they likely are the ones who determine where the outing will be played and therefore deliver you the sum total of all of the rounds from the event. **This special class of customer, the tee time maker for group golf outings should be given even more preferential treatment** (i.e. a personal letter thanking them after the event, a coupon for a free foursome or perhaps an invitation to a special tournament day for all outing coordinators, or all of the above).

4. **Equipment/apparel vendors in the bag and in the closet**

   • Communicate specialized "Customer Loyalty" promotions co-branded between your facility and the vendor. As an example, promote a private sale to the customer in recognition of their loyalty to the vendor. You should promote an early purchase opportunity and/or preferred pricing for them to upgrade their equipment or apparel. Let the customer know that this sale is exclusive to them as a previous customer of the vendor.

5. Preferred time of day/day of week to play

- Using customer survey data or data from P.O.S., identify for each customer the days and times that they play, days and times they possibly could play and days and times which they don't play.

  | **For example:** Monday early morning, Monday late morning, Monday early afternoon and Monday late afternoon would be time categories for Monday. Group each customer into each one of these categories. A "3" would denote a time period that they play, a "2" for a time period that they possibly could play and a "1" would be a time period that they don't play. A customer survey can help you identify the days and times in which a customer could play for the purpose of classifying these days and times as a "2." As a result, at one end of the spectrum you may have a customer with 27 "3s" (meaning they've played during the early morning, late morning, early afternoon and late afternoon during every day of the week) to the other end of the spectrum, you may have a customer with only one "3." This would mean that there is only one combination of a time and day that this customer has played at your facility.

- When marketing an event or promotion, you should separate out any customers who can't play (using the code of "1" in the above segmentation) during the corresponding time period of the event/promotion for the marketing campaign. This will help avoid alienating customers by inundating them with promotions during times that they can't play.

- The above segmentation example can be helpful for yield management. For example, do you have customers with a code of "3" for late afternoon on Sundays, but these customers also are a "3" for early mornings on Sundays? Presuming Sunday morning is a high utilization period of time and Sunday late afternoon is a low utilization period of time at your facility, you likely will increase your RevPar (Revenue per Available Round) by enticing these customers to play Sunday late afternoon with a special offer or promotion, especially if their cost for that late afternoon round was substantially less than the early morning time. The rationale is that if Sunday early morning is a high utilization time, you'll likely be successful selling that time at a peak rate to someone else, but you'll also then get the surplus revenue of selling a time that likely may go unused in the late afternoon, even if it is at a significant discount from the revenue of a peak tee time.

6. Recency, Frequency and Monetary (RFM)

- **High-monetary** customers should be closely monitored since they are your highest spenders. These customers would be in codes: 133,233,333,113,123 and 133. Any customers in codes 133 or 233 should be an alert to the facility that these customers are turning into cold customers and are at risk of defection. These codes represent customers who have played the most amount of rounds (or had the highest amount of club visits) but are not in the top third of recent visits. These customers should be contacted personally through a phone call or letter/note. Let them know that they're missed and that you're providing them a special offer/incentive or gesture to get them back.

- **High-recency, low-frequency and low-monetary** customers would be in code 311. These recent customers should be given a special offer to get them to return. For private clubs these may be new or newer members. Since these customers have made a recent visit but are not frequent customers, extra care should be given to these customers/members to ensure that they are retained and to ladder them up to a more frequent and higher monetary segment.

- **Low-recency, low-frequency and low-monetary** customers are in code 111. These disengaged customers are the ones to whom you should provide maximum discounts. This way, you'll be getting the maximum "bang for your buck" by re-engaging customers who almost certainly would not return without the special customer re-engagement promotion.

7. Share of wallet (for daily-fee, resort and municipal facilities only)

- This tactic provides you an indicator of how much opportunity a customer represents to transfer rounds that they play at competing facilities to your facility. Target customers who are giving your facility less than 15% wallet share. Special promotions should be targeted at these customers to entice them to defect from your competition.

- Refer to the Customer Survey section within Process 3 – Communicating with Your Customer Database, to identify opportunities where you can make facility improvements to improve customer loyalty. The National Golf Foundation (NGF) has found a relationship between customer loyalty and share of wallet. NGF's research shows that loyal customers will provide a higher share of their wallet to a facility than disloyal customers will provide.

8. Hot/cold customers

- **Target cold customers.** These customers may have had a bad experience, or just reduced or stopped playing due to some barrier that they perceive to prevent them from playing as much as they used to. **You need to personally contact cold customers through a phone call or a personalized email.** If the customer doesn't respond, you should target market this segment with special offers to try and get them re-engaged. You should have a "goal number" in mind for the percentage of cold customers that you're able to reactivate and track your performance against your goal.

  | **For example:** Your facility has 3,000 customers, of which you have identified 300 cold customers. Your "goal number" may be to convert 50 of those 300 cold customers into hot customers within the next year. See page 80 of the Know Your Customer Playbook for more information about hot/cold customers within Process 4 – Customer Database Segmentation.

9. Customer profit analysis

- **Track which customers are most profitable.** The most profitable customers are the lifeblood of your business and should be given preferential treatment to ensure they are retained. This doesn't necessarily mean special discounts, but it could. It may also include inviting these customers into a preferred customer panel, where you send them a letter telling them that you value their loyalty and that you're offering them preferred privileges at your facility (may include early tee time booking window, free range balls, free beverage while golfing or other perks).

10. Customer satisfaction

- Customers who take the survey should be thanked for their participation. Since these customers gave their time to provide you feedback, you have a responsibility to let these customers know what you heard in the survey and the steps you're taking to improve their experience.

11. Customer lifespan

- Customers who have a short lifespan are new to your facility and are more at risk of not being retained. For private clubs, the greatest at-risk segment of members is new members, defined as having been a member for less than one year. The next greatest at-risk segment is short-term members, defined as those who've been members between one and four years. For public facilities, the two primary at-risk lifespan segments are new customers, which are those who've been customers for less than three months and short-term customers who are those that have been customers between three months and one year.

- Target market these customers with special promotions, events and player development programs to keep them returning to your facility. Any customer who is in the "new" category should be approached by a member of the Professional staff to learn about what these customers are seeking from their game. **The Professional should spend time with these new customers and offer an affordable or complimentary introductory player development program on the practice range or on the course.**