# 2023 State of the Golf Industry Report

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# State of the golf industry: 2023

## The past three years have been a period of significant disruption and change in the golf industry.

As we outlined in our 2021 State of the Golf Industry report, the staggering logistical challenges of COVID-19 in 2020 and 2021 were offset by an equally staggering jump in the game's popularity. Seeking a safe, social, open-air activity to escape lockdowns and restrictions, North Americans flocked to golf courses in numbers not seen since the 'Tiger Boom' of the late 1990s. Ecommerce sales of equipment, training aids and simulators skyrocketed, online lessons became commonplace and golfers found new ways to engage with the game online.

All of this took place at a time when public and semi-private golf course operators embraced new technology and new procedures in order to connect with golfers, manage operations, deliver positive customer experiences and drive revenue.

While life felt far more normal in 2022, there is no coming back from many of the lessons learned during golf's 'COVID Boom'. To punctuate this point, the game's popularity and on-course participation has not declined like many thought it would following the peak COVID years. **Now that the dust has settled, the industry is still in a very strong place and it's important for golf course operators to respond accordingly.**

In this context, what sort of participation are we seeing from golfers, and what matters to them? What can golf course operators learn in order to adapt to shifting consumer habits, provide exceptional customer experiences and appeal to a younger generation of golfers? To answer these questions, we surveyed more than 500 golfers from across North America, analyzed course data from our customers and collected our own thoughts on the state of the industry.

**- David Hope**
GM, Golf, Lightspeed Commerce

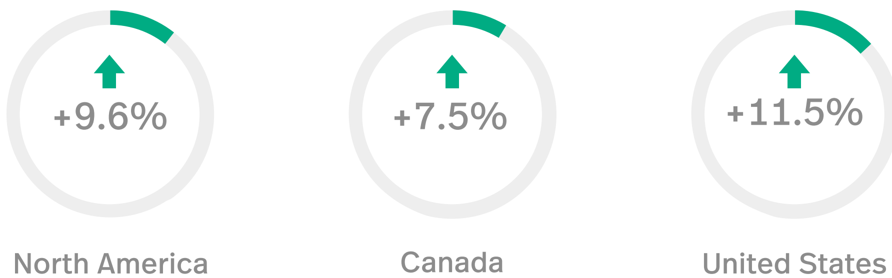
# Golf at a glance

With courses packed and revenue up in 2021, there was an expectation by many in the industry for a decline in both rounds and transaction volume in 2022. However, Lightspeed data shows that was not the case, with courses experiencing growth in both rounds and sales this past year. While the data does indicate a roughly 2% no-show rate, these 2022 round totals are a positive sign that the new golf audience that came aboard over the past few years could be here to stay.

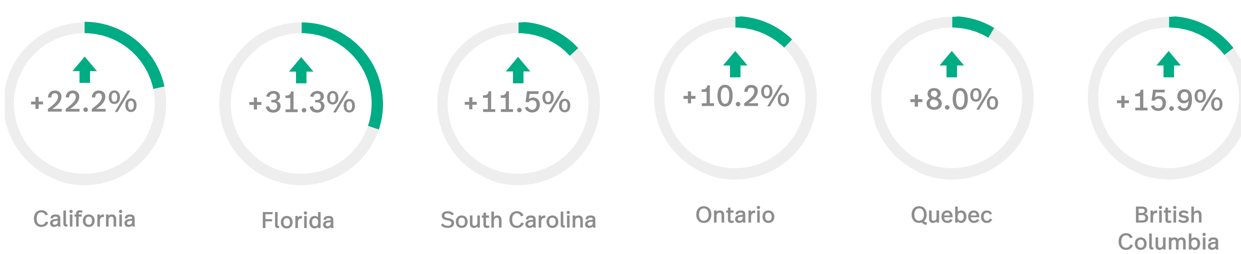
# Rounds were up in 2022

**Many regions in North America showed increases in rounds compared to 2021[1].** Traditional golf hot spots like California and Florida showed some of the largest gains year over year. Conversely, regions in the Northeast, like New York, Connecticut and the Canadian maritime provinces, showed noticeable decreases.

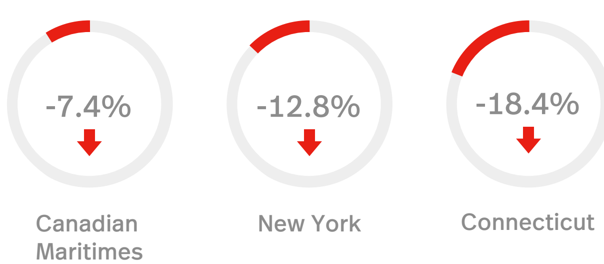
## Year-over-year % round increase **2022 vs 2021**




### Notable increases




### Notable decreases

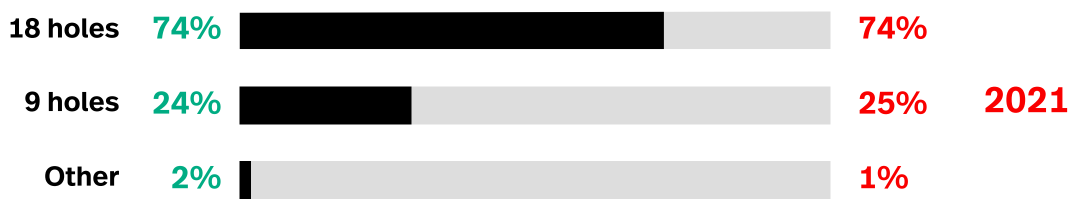


**BUSIEST WEEK OF THE YEAR:**

**July 25 - 31** (close second: June 27 - July 4)

Nearly three-quarters of the rounds booked in 2022 were 18-hole rounds, with the remaining quarter made up largely by 9-hole rounds. Notably, nearly half of these rounds were booked online, a nearly identical share to those booked online in 2021[1].

## Round type breakdown:




## Booking type breakdown:


## Courses also saw an increase in sales volume

Lightspeed golf courses also saw an increase in same-store Gross Transaction Volume (GTV)[2,4]. While pro shop sales played a factor, **food and beverage offerings were the dominant contributor in 2022, with a nearly 30% increase in same-store GTV year over year.**

### Same-store year-over-year % GTV increase **2022 vs 2021**

#### North America

**11.4%** **Increase in total GTV**

**9.4%** **Increase in retail (pro shop) GTV**

**28.0%** **Increase in F&B GTV**

#### Canada

**2.7%** **Increase in total GTV**

#### USA

**16.6%** **Increase in total GTV**

**Inflation was a term you couldn't escape in 2022, and the golf industry was certainly not immune to its effects.** While golf courses saw an increase in the average transaction size in both retail and food and beverage, the average increase was lower than the average consumer price index (CPI) increase in both the United States and Canada.

### Same-store year-over-year % transaction size increase **2022 vs 2021**

| | Overall | Retail (pro shop) | F&B |
|---|---|---|---|
| 2022 | **$55** | **$64** | **$28** |
| 2021 | **$53** | **$61** | **$25** |
| Increase | ↑ 4.2% | ↑ 4.99% | ↑ 10.3% |

4 See "Key Performance Indicators".

# Creating an effective omnichannel presence

Having an effective omnichannel strategy has become the new standard across many consumer-facing industries. Retailers and restaurateurs strive to create a cohesive experience across in-person and online channels in order to give customers more opportunities to engage with their brand.

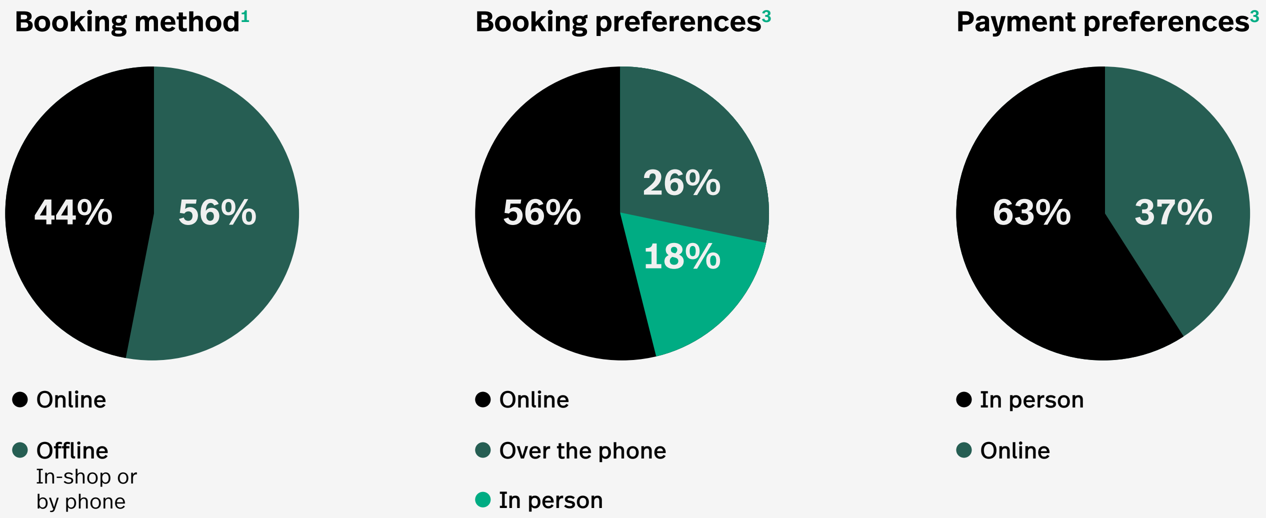
**What does this mean in practice? It means effectively leveraging brick-and-mortar locations, ecommerce, delivery and in-store pickup, social media sales and marketing, email and more.**

Whether by choice or by necessity due to the pandemic, many golf courses have embraced omnichannel tactics, pairing traditional at-course offerings with some combination of online tee time booking, online pro shops, self check-in, mobile ordering and others. But with consumer expectations continuing to shift, what should golf courses focus on when crafting an effective omnichannel strategy?

## Booking and paying for rounds

**More than half of survey respondents prefer booking tee times online[3].** Interestingly, this represents an increase over Lightspeed course data, where a majority of bookings took place offline. This could indicate that golfers are more willing to book online so long as the option is clearly available to them and easy to do.

Despite the fact that a majority of survey respondents prefer online booking, the majority of golfers still prefer to pay for their rounds in person.




## Golfers prefer to shop for equipment in store

When shopping for equipment, golfers surveyed say that in-person is still their preferred method, with golf retail stores and pro shops being the go-to destinations. This motivation makes sense, considering the cost of golf equipment and importance of club fitting and customization.

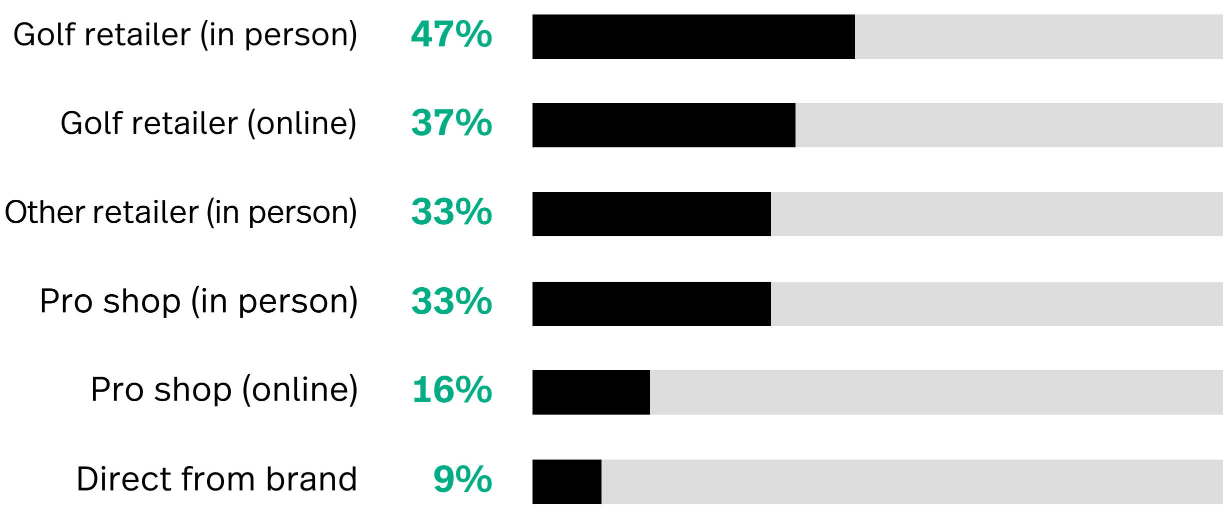
While purchasing equipment online is less popular, golf retailers still dominate this space. **37%** of golfers surveyed typically purchase golf equipment online from golf retailers, compared to only **24%** through online pro shops.

### How and where golfers typically shop for equipment[3]


## Shopping for apparel is more split between online and in store

When it comes to apparel, the breakdown is similar to what we see with equipment, albeit without a significant majority. Nearly half of survey respondents typically shop for golf apparel in person at a golf retailer, followed by online golf retailers, other types of in-person retailers and in pro shops.

### How and where golfers typically shop for apparel[3]




**While online pro shops and direct-to-consumer brands are the least popular now, it's important to recognize their potential.** With the right tools, these smaller outfits are well suited to provide the kind of personalized, flexible experiences that customers want, both online and in store.

## Embracing a new way of doing business

While there are instances of majority in the numbers, it seems that golfers across generations are utilizing both in-store and online channels with greater parity than ever. **The key for pro shops is to make use of both of these channels in a cohesive way.**

**In the pro shop?** Refine your layout and inventory, provide amazing customer service, allow golfers to try on or test merchandise and make use of in-store surveys to gather feedback as well as customer data for online remarketing.

**Online?** Install an online booking widget on your website that allows customers to book and pay online with ease. Set up a sleek online store, run online promos and allow golfers to add pro shop merchandise and food and drink to their orders when they book a round.

**Creating and refining your omnichannel strategy is an ongoing process,** but by setting up the groundwork now, you can cater to a growing audience of golfers embracing both in-store and online shopping.

It can be a jarring change, but there's no denying it's worth it in the long run. Look no further than the Lightspeed customers who have committed to this new way of doing business: they have taken the necessary steps to future-proof their golf courses and they are seeing the results.

# Attracting and retaining golfers

We've established that developing an omnichannel experience should be a major priority for golf courses in the coming years. Maintaining a strong online presence is a key part of adapting to changing consumer habits and ensuring that your course delivers on what golfers are looking for. But while creating a cohesive consumer experience at the course and online is more important than ever, it's still only one component of running a golf course that engenders loyalty.

**So what are some other factors influencing why, where and how often golfers choose to tee it up? What can courses do to drive repeat visits and customer loyalty?**

## Golfers want a public, pay-as-you-go golf experience

The surge in rounds played and overall interest in the game over the past few years did not necessarily translate to golfers committing to clubs or memberships in 2022:

**94%** Played at public or semi-private courses

**76%** Preferred paying via daily green fees

**18%** Preferred using passes or subscriptions

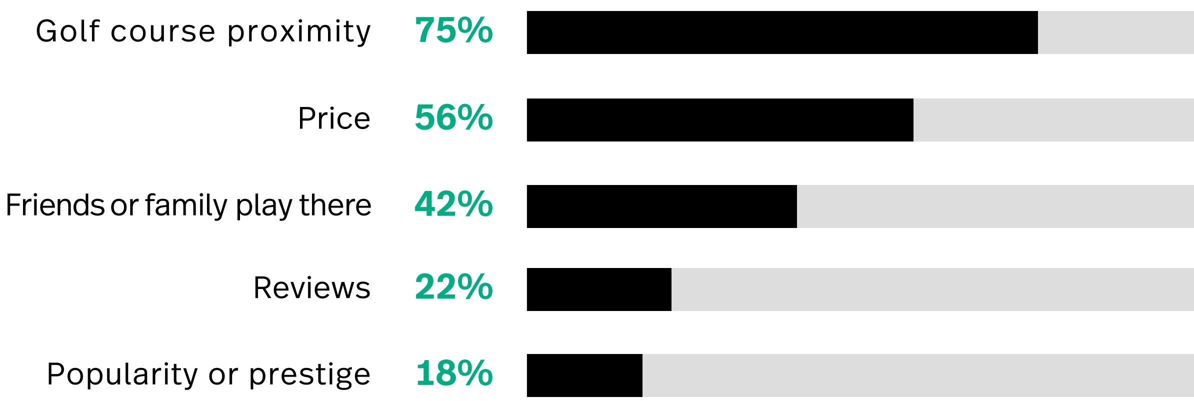
**14%** Were full-time members at courses

The key takeaway here? **The vast majority of golfers still prefer a public, pay-as-you-go golf experience[3].** While this doesn't mean they are opposed to memberships or subscriptions, golfers clearly like to keep their options open. As we will see, this makes the on-site experience all the more important: in a sea of choice, loyalty comes down to how your course can deliver.

# A majority of golfers like to keep things local

**Golf course proximity is the single most influential factor for golfers when they are choosing where to play,** with three-quarters of survey respondents citing its importance.

### Factors influencing tee time selection[3]:




The combined importance of price and proximity underscores the fact that success starts locally. **Providing the best value possible to your local market is absolutely essential to attract golfers to your course.** This means brainstorming various marketing tactics you can use to engage and incentivize the community to play your course. It also means understanding the local competition–from what they charge and the on-site experience they offer to their presence online and in the community.

## Golfers primarily find tee times on golf course websites

A golfer's first impressions of your golf course are not formed on the first tee, in the pro shop or even in the parking lot. These days, they are predominantly formed online. **Whether it's your website, a tee time marketplace or your social media pages, these digital spaces help to capture golfer interest and move them through the booking process.**

Consider this survey data breaking down where golfers typically find their tee times[3]:

**63%** Individual course websites

**36%** Tee time marketplace websites

**19%** Tee time marketplace apps

Using your website and your listing on a tee time marketplace effectively is all part of maintaining a strong online presence:

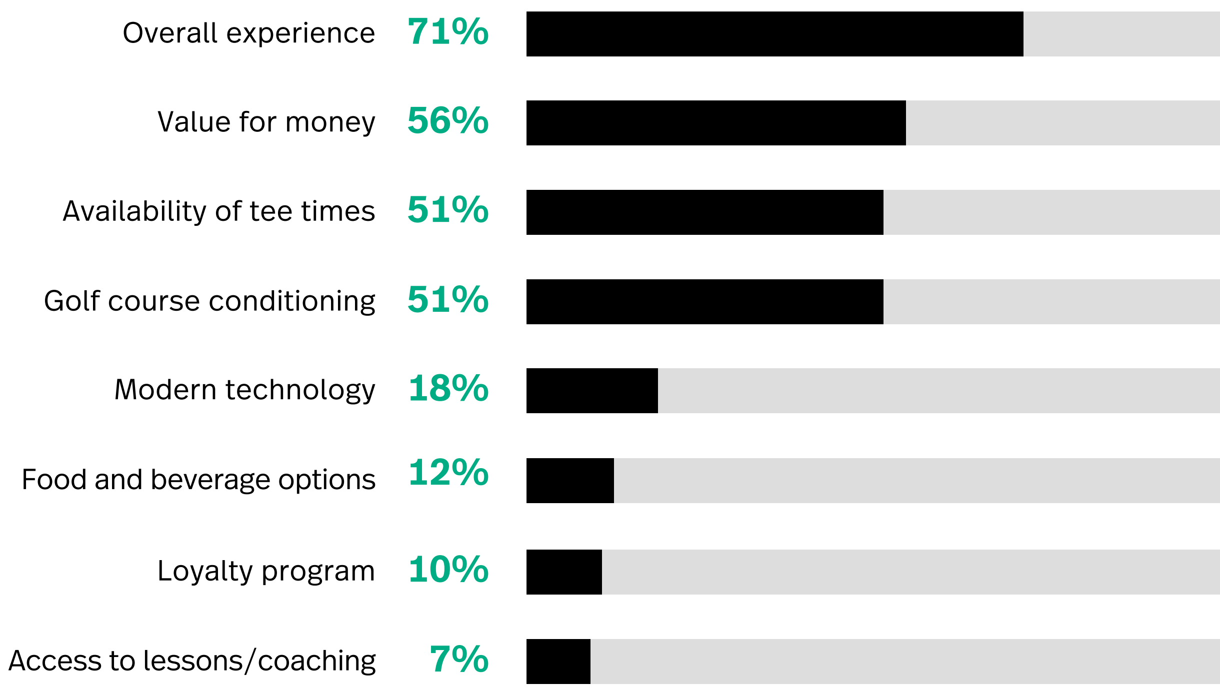
- Ensure your website is visually appealing, easy to navigate and up to date
- Install an online booking widget that's quick and easy to both use and find
- Marketplace listings must be complete and contain up-to-date photos and information
- Ensure your website and listing are optimized with all relevant keywords and tags
- Use online promos and deals that stand out to encourage bookings

Find out more about setting up a great website

# What keeps golfers coming back? Their overall experience at the course

Despite your best efforts when it comes to marketing, outreach and research, golfer choice is difficult to control and predict.. In this context, it's encouraging that the most important factors influencing repeat visits are both easier to understand and far more possible to control.

## Factors driving repeat visits to a course[3]:




**Overall experience, good value, tee time availability, conditioning—these are all extremely important factors that you can commit to improving via dedicated customer service, proper staffing, attention to detail, organization and** the right technology.

Leave no stone unturned: parking, check-in, the pro shop experience, well-kept practice facilities, a friendly and helpful starter, food and beverage services, proper marshaling, on-course signage, in-cart GPS, good conditioning, maintenance and more. While each individual component may not make or break a golfer's day, they all combine to leave a lasting impression.

## Looking forward to 2023

And that lasting impression matters. Why? Because while a majority of golfers preferred paying via daily green fees in 2022, those same golfers are split on their plans for 2023[3]:

**30%** Intend to purchase a membership or season's pass

**33%** Are not sure at this stage

**37%** Do not intend to purchase a membership or season's pass

Given that roughly two-thirds of golfers surveyed have not ruled out committing to a single course in 2023, golf courses have an excellent opportunity to create unique, value-driven subscriptions, passes and membership packages to cater to those golfers ready to make the jump.

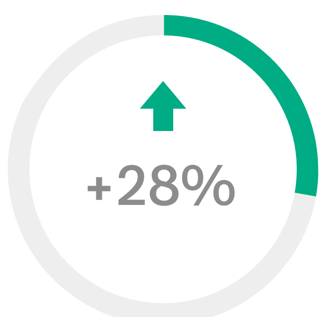
**That said, selling golfers on the benefits of these packages becomes much harder for courses who lack an understanding of what compels golfers to play a course more than once.**

# Optimizing your food and beverage offering

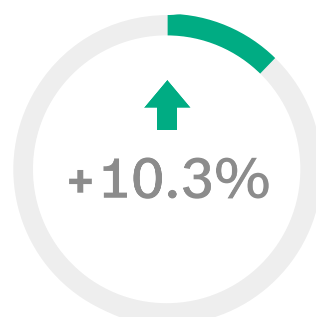
For many golf courses, it's easy to see food and beverage service as secondary to the quality of the on-course offering. In reality, F&B is an extremely important feature that plays a role in shaping a golfer's overall experience. **If done well, your food and beverage offerings can be a key differentiator and something that golfers will remember when choosing where to tee it up next.**

This doesn't mean that you need to offer a refined, premium dining experience to every golfer. It's more about ensuring that golfers have access to quality F&B offerings at the right times and that your on-course and clubhouse offerings align with the atmosphere you seek to create on site.

## How did F&B fare in 2022?




Average same-store F&B GTV vs. 2021[2]




Average same-store F&B transaction size vs. 2021[2]

As we can see, there was a meaningful increase in F&B sales at Lightspeed courses in 2022. This is an encouraging sign for course operators in general, suggesting that there is a real opportunity to drive revenue so long as they commit to delivering a great F&B experience among other factors.

Learn how technology can support your F&B operations

## When it comes to F&B preferences, golfers are mixed

Data suggests that there is not one type of F&B offering that is significantly more popular than others. The golfers we surveyed said they purchase from beverage carts, snack bars/halfway houses and bars/restaurants at nearly equal rates.

Consider this survey data breaking down where golfers typically purchase F&B[3]:


**The key here? The type of F&B service you offer matters less than the quality of that service.** Some golf courses will do better if they offer fine dining, others will fare better with a casual bar-style restaurant and some will do best with quick-serve, grab-and-go offerings. The options you choose should depend on what your target customers are looking for when they play your course.

- Find a balance between production speed, food costs and quality
- Staff appropriately, prioritize food safety and be realistic with menu choices
- Keep your F&B menu updated with selections your customers care about
- Do your research, survey golfers and listen to your staff to learn how you can improve service

## Why you should make your restaurant a community hub

For golf courses with larger hospitality operations like a full bar or restaurant, it is important to consider that your customer base might extend beyond the golfers who tee it up on any given day. In fact, **55% of survey respondents said that they sometimes dine at a golf course on days when they haven't played golf**[3].

**82%** Said special promotions would encourage them to dine at a golf course restaurant

**53%** Would consider participating in golf course social events

**26%** Said online ordering and takeout would encourage them to order from golf courses

As we discussed previously, investing locally and embracing community seem to benefit golf courses. From partnering with local suppliers (think breweries, wineries, food trucks, etc.) to hosting social events, offering promotions and engaging in community outreach, there are plenty of tactics that can help make your bar or restaurant more of a destination for the community.

# Appealing to a younger generation

In the wake of the COVID-19 pandemic, understanding how younger golfers interact with the game both on and off the course is crucial. Look no further than recent NGF data breaking down on-course participation in the USA: **out of roughly 25 million golfers who played rounds in 2021, 24% (6.1 million) were 18-34 years olds—the largest proportion out of all age groups covered.**

So what are younger golfers looking for when choosing a golf course? What compels them to come back? Moreover, how are they learning, practicing, shopping and consuming golf? And which personalities, technology and brands are shaping the style and culture of the game for younger generations?

Gaining further insight into these trends is an excellent way for golf course operators to get to know this cohort of young golfers that will form their customer base for years to come.

# At the course

After a record-setting 2021, our survey data showed that 33% of 18-34 year olds played fewer rounds in 2022. That said, **66% of golfers surveyed played about the same or more rounds in 2022 than in previous years[3].**

## Young golfers' preference for convenience, efficiency and value

As for deciding where to play? Convenience, efficiency and value emerged as the most important factors guiding the golf experience of 18-34 year olds[3]:

**69%** Said price was the most important factor in where they played

**69%** Prefer booking rounds online

**69%** Said proximity to the course was an influential factor

**57%** Preferred paying for their rounds online vs other methods

A strong online presence to market your course and provide more ways for golfers to find, book, pay and save on rounds may help you provide a better customer experience to golfers. From an online booking widget and tee time marketplaces to a digital marketing strategy and online promotions, there are plenty of avenues to consider.

## Want to drive repeat visits? Deliver a great on-site experience

Getting golfers to book a single round is one thing. Getting them to come back? That's a separate challenge. For 18-34 year olds surveyed, whether or not they return seems to come down to what your facility can deliver onsite[3].

**67%** Said overall experience at the golf course

**55%** Said value and conditioning of the golf course

Golfer choice is hard to control, but the on-site experience is entirely yours to shape. Good course conditioning and well-maintained carts, practice facilities and clubhouses are obviously key, but there are other ways to create a modern, innovative, entertaining environment:

- Technology like self check-in and order-ahead food and drink to speed up service
- A modern, well-stocked pro shop, knowledgeable staff, demo days and club fittings
- Driving range amenities: launch monitors, premium golf balls, quality turf, grass hitting areas, music, food and drink
- A relaxed dress code, allowing Bluetooth speakers in carts, social events, golf by the hole

When it comes to food and beverage, 69% of respondents said they were more likely to purchase from the beverage cart, highlighting the need for excellent on-course service and selection.

## More than half of survey respondents are considering passes and memberships in 2023

Investing in loyalty and offering the amenities above is certainly an investment, but **winning over customers in the 18-34 range is a major win for your course going forward.** Because while 69% of survey respondents preferred paying daily green fees in 2022, passes and memberships intrigue this age group[3]:

**51%** Intend to purchase a pass or a membership in 2023

**31%** Aren't entirely sure yet

**73%** Would be willing to spend up to $2,500 yearly on a pass or membership

While the cost of living and other circumstances made daily fee golf a good option in 2022, **a majority of respondents won't rule out investing in passes, memberships and subscriptions in the future, provided they get the experience they are looking for at the golf course.**

# Off the course

When it comes to younger golfers, the experience at the course is only part of the story. From how they shop for apparel and equipment to the styles, technology and personalities reshaping the game's culture, 18-34 year olds are taking the game to new and exciting places.

## Younger golfers value in-store and online shopping

The pandemic proved the potential of ecommerce. That said, the return of in-store shopping shows that consumers value in-person experiences. **As we covered earlier in the report, both of these sales channels are important and nowhere is that more evident than with 18-34 year olds.**

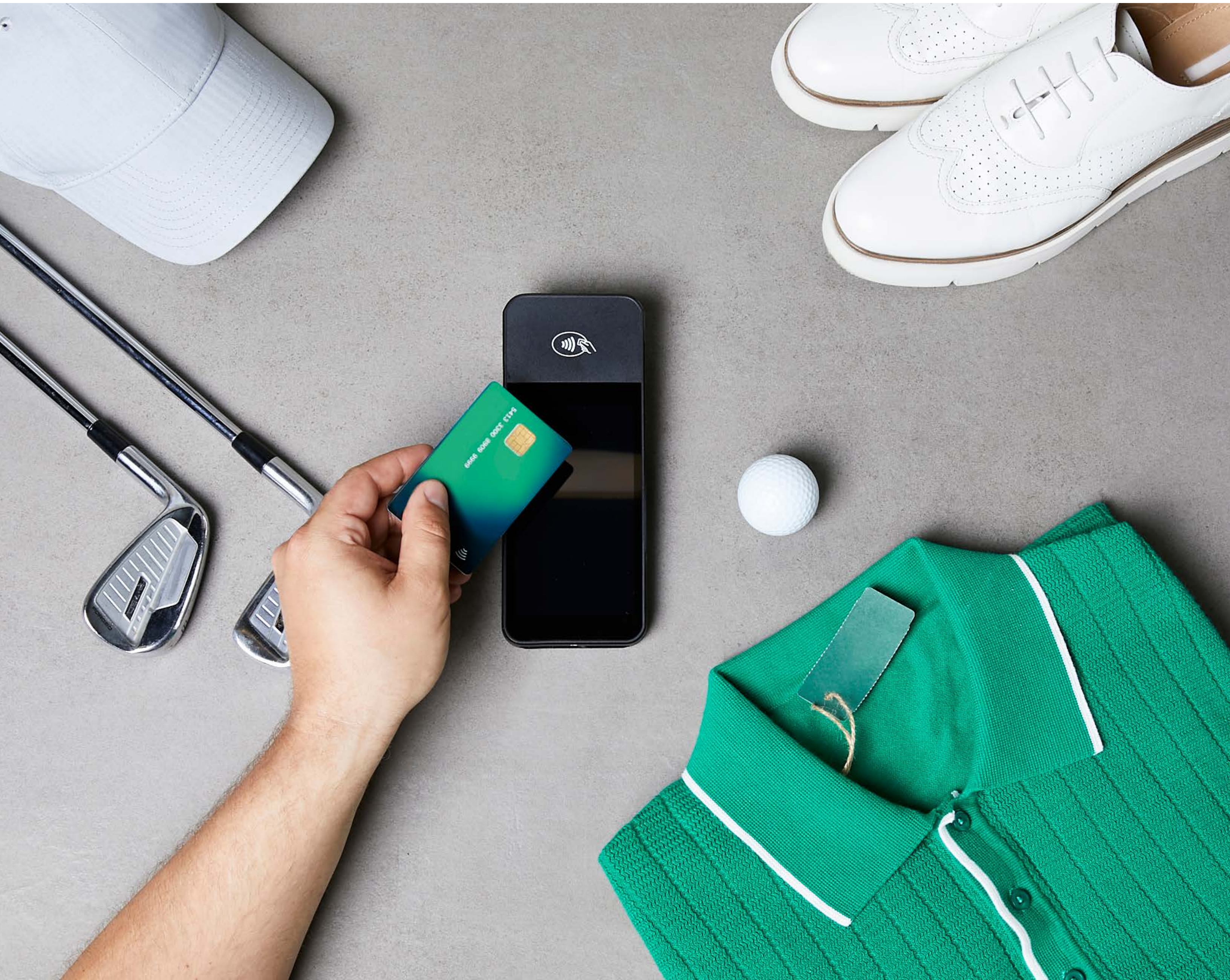
### Shopping preferences for equipment[3]


### Shopping preferences for apparel[3]

There is parity between in-person and online shopping, but also between pro shops and golf retailers. It highlights the importance of creating an exceptional omnichannel experience:

- Capitalize on the clear trust that young golfers have in the pro shop: stock the right products in store, give knowledgeable advice and allow golfers to test clubs
- Embrace ecommerce so that young golfers can browse inventory, make purchases and interact with your course online.

Learn more about how modernize your pro shop



## The growing impact of online golf influencers

Back in the late 1990s and early 2000s, Tiger Woods led to a meteoric rise in golf's popularity due to how he influenced the culture surrounding the game. Suddenly, golf looked cool, stylish, athletic and exciting to a generation of young golfers.

Today, something similar is happening among a host of playing pros, vloggers, podcasters, golf lovers, club reviewers and apparel brands. Using YouTube, Instagram and TikTok, these personalities are changing how young golfers learn, practice, consume and shop golf.

While they are all seeking to carve out a unique place in golf's shifting cultural landscape, it's important to consider the collective impact of their content: it's making the game seem cooler, stylish, relatable, accessible, fun, informal, data-driven and newsworthy.

Many of these entrepreneurs and personalities landed themselves on *Today's Golfer*'s list of The 100 Most Influential People in Golf, including:

- **Rick Shiels:** On-course vlogs, podcasts, reviews, instruction - 2.44M YouTube Subscribers
- **Paige Spiranac:** Instagram content, vlogs, commentary - 3.7M Instagram Followers
- **Good Good:** On-course videos, apparel, Callaway partner - 1.11M YouTube Subscribers
- **No Laying Up:** Podcast, news, videos - 400K Twitter followers
- **Me and My Golf:** Golf instruction - 875K YouTube Subscribers

While these personalities are undeniably influential, they represent only a few of the major accounts shaping the future of golf's culture. Out of our survey respondents who consumed golf influencer content[3]:

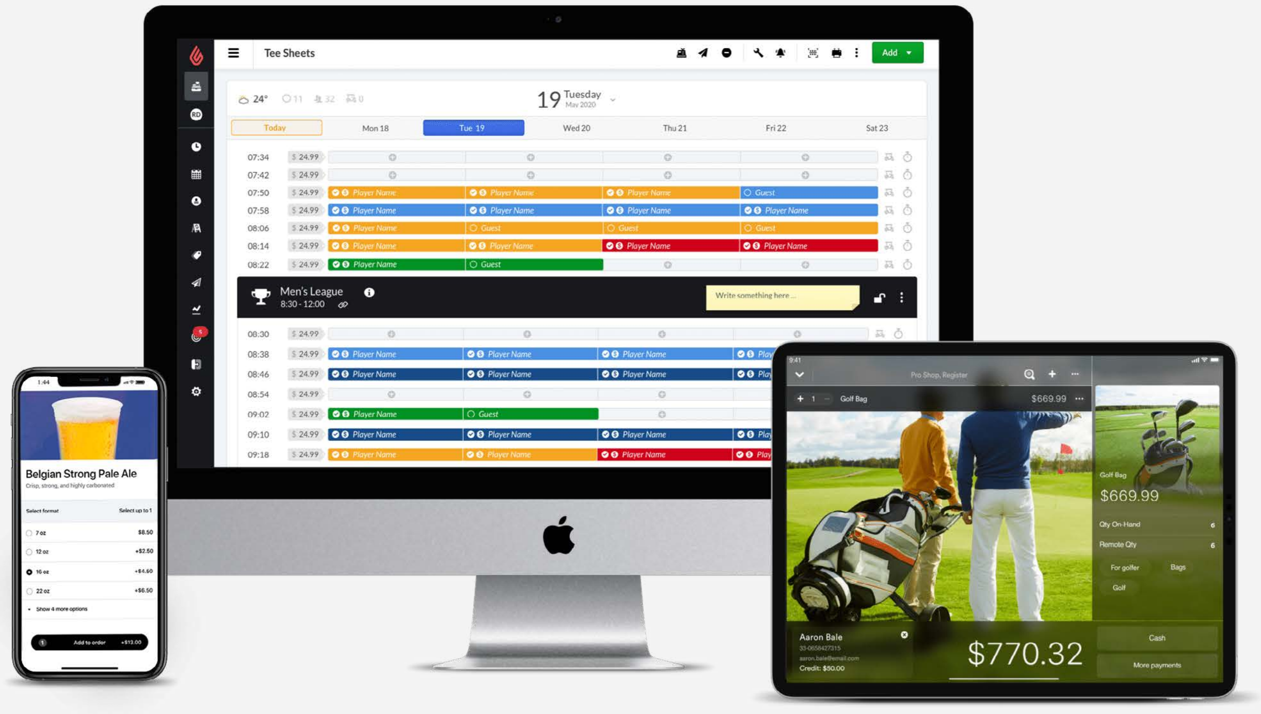
**83%** Said it made them feel more knowledgeable about golf and the golf industry

**83%** Said it made them more likely to visit a course or a driving range

## Embracing change

So what do golf course operators do with this information? It's important to understand what kind of an impact influencer marketing can have at your course. Finding ways to partner with these types of personalities, emulate their online content on your own social media channels and to get your facility involved in the online conversation can be invaluable in resonating with younger audiences.

At a higher level, following these accounts and consuming this content can give you a sense of where the culture of golf is headed and how 18-34 year olds view the game. With this information, you can work on tailoring your customer experience to align with prevailing trends.




# We’re here to help

Powering the businesses that are the backbone of the global economy, Lightspeed’s one-stop commerce platform helps merchants innovate to simplify, scale and provide exceptional customer experiences. The cloud solution transforms and unifies online and physical operations, multichannel sales, expansion to new locations, global payments, financing and connection to supplier networks.

Founded in Montréal, Canada  in 2005, Lightspeed is dual-listed on the New York Stock Exchange and Toronto Stock Exchange (NYSE: LSPD) (TSX: LSPD). With teams across North America, Europe and Asia Pacific, the company serves retail, hospitality and golf businesses in over 100 countries.

**For more information, please visit:** lightspeedhq.com/golf
**On social media:** LinkedIn, Facebook, Instagram, YouTube, and Twitter

## Disclaimers

**Key Performance Indicators**

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicators may be calculated in a manner different from similar key performance indicators used by other companies.

**Forward-Looking Statements**

This news release may include forward-looking information and forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions and are identified by words such as "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of Lightspeed's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors. A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward-looking statements contained in this news release, including, among other factors, those risk factors identified in our most recent Management's Discussion and Analysis of Financial Condition and Results of Operations, under "Risk Factors" in our most recent Annual Information Form, and in our other filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, all of which are available under our profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Readers are cautioned to consider these and other factors carefully when making decisions with respect to Lightspeed's subordinate voting shares and not to place undue reliance on forward-looking statements. Forward-looking statements contained in this news release are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that Lightspeed considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by Lightspeed. Except as may be expressly required by applicable law, Lightspeed does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

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1 **Lightspeed Product Data:** This data refers to information derived from the use of the Lightspeed Golf platform by customers that were fully operational and actively using the product for the period of January 1 until December 31 in both calendar year 2021 and 2022.

2 **Lightspeed GTV Data:** This data compares Gross Transaction Volume (GTV) of North American Lightspeed Golf locations that were fully operational for the period of January 1 until December 31 in both calendar year 2021 and 2022 (same-store GTV).

3 **Lightspeed Survey Data:** This information is derived from the results of a November 2022 Lightspeed-conducted survey of more than 500 North Americans.

4 **Gross Transaction Volume:** "Gross Transaction Volume" or "GTV" means the total dollar value of transactions processed through our cloud-based software-as-a-service platform, excluding amounts processed through the NuORDER solution, in the period, net of refunds, inclusive of shippin g and handling, duty and value-added taxes. We believe GTV is an indicator of the success of our customers and the strength of our platform. GTV does not represent revenue earned by us. We have excluded amounts processed through the NuORDER solution from our GTV because they represent business-to-business volume rather than business-to-consumer volume and we do not currently have a robust payments solution for business-to-business volume.