

SPORTS MARKETING SURVEYS INC.

THE ECONOMIC IMPACT OF GOLF ON THE ECONOMY OF ENGLAND

April 2014

PREPARED ON BEHALF OF THE ENGLAND GOLF PARTNERSHIP



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1. INTRODUCTION

1.1 BACKGROUND & OBJECTIVES

SPORTS MARKETING SURVEYS INC., Europe's leading research agency in the field of golf, was commissioned in 2012 by a number of the principal European golfing bodies, led by the PGA of GB&I, to undertake an economic impact study of the sport on the economy of Europe.

The primary objective of this exercise was to estimate the financial contribution that the game of golf makes to the European economy. We have subsequently been asked to re-visit the data from 2012 and do further work to fill gaps emerging (where necessary) with a view to looking specifically at the impact of the game of golf on the economy in England. This report shows the outcome of those considerations.

It is recognised absolutely that the game has many additional benefits beyond those which are economic – in public health, in facilitating social interaction, in enabling men and women and players of different ages and levels of ability to compete against each other, in encouraging fair play and sporting behaviour both in victory and defeat, in creating healthy competition and in offering opportunities to travel. Each of these are important contributors to the conclusion that the game of golf provides a positive impact on society beyond the direct element of the commercial impact of the game in England and beyond.

The focus here, however, is to produce a robust evaluation of the physical and financial numbers of the sport in England. The process employed ensured the figures have been arrived at logically and in a methodologically sound way, and demonstrate the degree to which the game is generating revenue and creating jobs in England. The result shows the importance golf continues to have even in these challenging economic times for the English economy.

SPORTS MARKETING SURVEYS INC. would like to thank all the clubs, associations, manufacturers, distributors, suppliers and individuals who have given us so much time and support, thereby enhancing the robustness of the final evaluation. This contribution has been valuable, positive & supportive to the programme, and has enabled us to publish this report confident in the accuracy of the figures contained within.

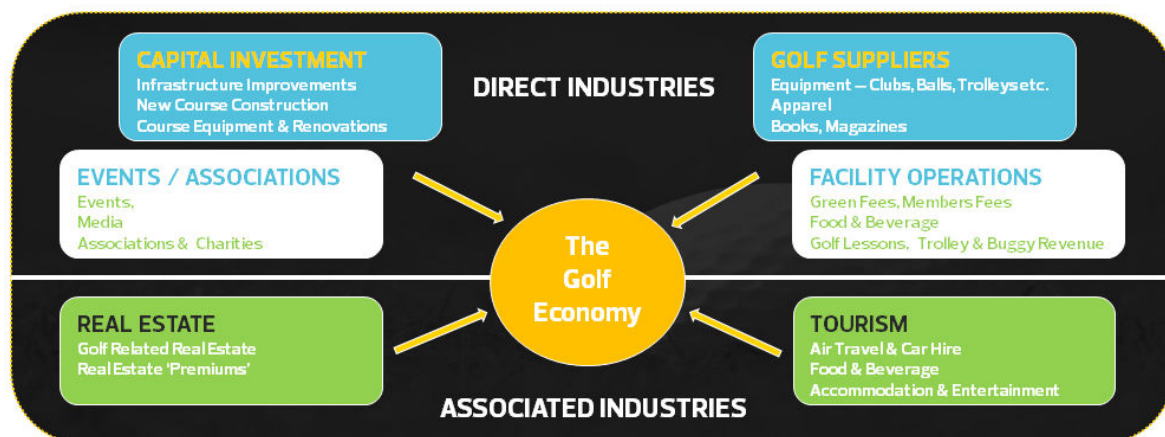
1.2 METHODOLOGY

In order to evaluate the economic impact of golf on the economy of England, we first separated the golf economy into its various segments. Information was gathered from key bodies and individuals within each segment, supported where necessary by desk research and bespoke surveying. SPORTS MARKETING SURVEYS INC.'s extensive database of primary and secondary research data was also fully utilised.

In all cases we have sourced information for the most recent full 12 month period available at the time of our European Economic Impact Study. Most commonly, information given was for the calendar year to end of December 2011, or the financial year April 2011 – March 2012.

In order to enable comparison with previous studies undertaken in the USA in 2005 & 2011 by Golf2020, and also by the Australian Golf Industry Council in 2010, the model adopted was based on these studies, in particular the 'Australian Golf Industry Report 2010'. This evaluation split the economy into two distinct segments, largely defined on the visibility to the consumer.

FIGURE 1: THE GOLF ECONOMY MODEL



- **DIRECT INDUSTRIES**
 - Golf course, golf clubs, golf equipment, golf media, golf associations & golf events;
 - These assist people in their participation in the game.
- **ASSOCIATED INDUSTRIES**
 - Travel and tourism, residential real estate that features golf.

HOW WE HAVE REACHED OUR CONCLUSIONS

Our estimates have been compiled using:

- Information in the public domain from golfing bodies, manufacturers, retailers and clubs;
- SPORTS MARKETING SURVEYS INC's extensive catalogue of golf related research, together with bespoke research among clubs, manufacturers, retailers, architects and publishers.
- Extensive consultation with industry experts in all the fields which we have included and which impact of the economic impact of the game of golf to the economy in England.

2. EXECUTIVE SUMMARY

The table below summarises the contribution to the English economy which was made by the game of golf in 2011/12.

As can be seen, even in difficult economic times and against a background of concerns that the game may not be being played to the extent that it once was, it is still a huge contributor to the English economy with an economic contribution of £3.4 billion.

TABLE 1: THE CONTRIBUTION OF THE GOLF INDUSTRY TO THE ECONOMY OF ENGLAND – 2011/2012

	REVENUE (MILLIONS)	% of industry	VALUE PER GOLFER (Total of registered & non-registered golfers)*
DIRECT INDUSTRIES			
Facility Operations	£ 1,881.06	56%	£ 668.94
Capital Investment	£ 442.15	13%	£ 157.24
Golf Equipment & Supplies	£ 836.05	25%	£ 297.31
Events / Associations	£ 81.36	2%	£ 28.93
TOTAL DIRECT INDUSTRIES	£ 3,240.59	97%	£ 1,152.42
ASSOCIATED INDUSTRIES			
Real Estate	£6.23	0%	£2.22
Tourism	£108.79	3%	£38.69
TOTAL ASSOCIATED INDUSTRIES	£115.02	3%	£40.91
ECONOMIC IMPACT OF GOLF ON THE ECONOMY OF ENGLAND			
TOTAL ECONOMIC IMPACT	£3,355.61	100%	£1,193.32

*For more detail on Golfer Definitions, see Section 4.

The Economic Impact figure for golf in England of £3,355.61m calculates as 65% of the total economic impact for GB&I. England has 67% of GB&I golfers and 61% of GB&I clubs. The 65% economic impact sits nicely alongside this. As the report will show, however, there are areas in which England outperforms the rest of GB&I to a greater degree than this and others where it under-performs its average. This is because GB&I as a whole has a higher proportion of regular golfers and of golf club members. Conversely, however, the greater costs of golf in England and preponderance of courses in affluent areas results in greater spend, in particular from the die-hard golfers, than is the case in the rest of GB&I.

CONCLUSIONS

As we head towards healthier economic times, the industry is likely to see boosted revenue from real estate values and from tourism. With more robust targeting of new golfers, as well as golfer retention initiatives and campaigns to bring lapsed golfers back to the sport, it is hoped that the economic impact will be even greater moving forward, particularly if aided by increasing economic confidence and better weather than we have seen in England in recent years.

This is not, however, to denigrate the latest figure, which shows the game of golf to generate £61 for every man, woman and child in the country to the national economy in addition to offering employment to more than 48,500 people.

Nor should we make the mistake of playing down the fact that one person in 19 in England plays golf, a proportion that would be envied by golf's governing bodies across the globe. Where we do, however, lag behind the other major European golfing nations is in the proportion of women among our golfers. Plainly, if the appeal to women can be increased and the appeal to men maintained, the opportunity for further growth is immense.

TABLE 2: THE PROPORTION OF FEMALE AND MALE GOLFERS

RANK	COUNTRY	ALL GOLFERS	% FEMALE	% MALE	% JUNIORS
1	Germany	740,000	35.2%	56.1%	8.7%
2	Austria	120,000	34.9%	54.9%	10.2%
3	Switzerland	95,000	33.4%	57.6%	9.0%
4	Netherlands	395,000	31.4%	63.7%	4.9%
5	Denmark	198,000	29.2%	63.2%	7.6%
	GB&I	4,200,000	14.5%	75.2%	10.3%
	England	2,812,000	13.8%	77.8%	8.4%
	European Total	7,855,000	24.6%	65.3%	10.1%
	USA	26,200,000	17.3%	73.5%	9.2%
	Australia	1,140,000	21.7%	76.1%	2.2%

To set the £3.4 billion impact of golf on the English economy in context:

- The London School of Economics estimates the socio-economic benefits of cycling to the UK economy at £2.9 billion.
- The most recent Tennis Industry Association estimate from 2011 values the global tennis economy (not its economic impact) at £3.2 billion.
- In 2012, £3.7 billion was spent on NHS dentistry in England annually, making up 12% of all primary care budget expenditure and 3.5% of all NHS expenditure.
- In January 2013, Forbes reported that Manchester United had become the world's highest value 'sports franchise' worth £2.1 billion.
- The Premier League is reportedly generating £3.4 billion from domestic broadcasting over the next three years.

PLAYER NUMBERS

The game of golf continues to be hugely popular in England in spite of the challenging economic times and the ever increasing range and number of options available for people's leisure time. The total number of golfers in England currently stands at 2.8 million. 762,000 of these golfers are 'Registered Golfers', a definition of which can be found in paragraph 4.1.2 on this page.

4.1 GOLFER DEFINITIONS

SPORTS MARKETING SURVEYS INC. recognise that there are a number of different categorisations of golfers used across the sport which can be confusing when used in discussion with organisations not working closely within the game. The following industry standards and definitions have been applied consistently.

4.1.1 A "GOLFER"

A Golfer is defined as an individual who has played a game of golf at least once on a full length – 9-hole or 18-hole golf course in the last 12 months.

These golfers may also be active users of driving ranges, pitch-&-putt courses or Adventure or mini-golf, but would not use these forms of the games exclusively.

As a result, the number of golfers recorded in this economic impact study does not include those individuals who only experience golf at driving ranges, pitch-&-putt courses or other activities such as Adventure Golf or initiatives run by organisations such as the Golf Foundation e.g. Tri-Golf and Golf Xtreme.

4.1.2 A "REGISTERED GOLFER"

A Registered Golfer is a golfer who is affiliated to the National Federation in the golfer's national country. This is a consistent measure across European countries and enables an initial comparison of player numbers.

In a number of continental European markets, a player would not be able to get access to a golf course without achieving accreditation from the National Federation. This is sometimes referred to as a 'green card' and may involve a form of testing on etiquette, the rules of the game, and being able to prove a certain level of playing ability.

A golfer may not be able to hold a handicap without being officially registered to the National Federation.

Not all countries apply these criteria to obtain a handicap or being allowed access to golf courses, including Great Britain & Ireland.

4.1.3 A "NOMAD GOLFER"

A Nomad golfer is a golfer who is not a formal member of a golf club, and who as a result is not registered with the National Federation.

Nomad golfers play itinerant golf choosing to play at commercial pay-&-play courses, at municipal or local authority venues, or by paying green fees at predominantly member courses.

This is a growing category of golfer in England, who does not want to be constrained by a membership to one venue, or who does not wish to have the financial commitment of an annual golf subscription.

In England, the nomad golfer now accounts for 73% of golfers, and as such outnumbers the registered golfer by close to 3 players to 1.

4.1.4 THE CORE GOLFER & OCCASIONAL, REGULAR AND AVID GOLFERS

Golfers are categorised according to "play frequency".

- Occasional Golfers
 - Those golfers who play 1 to 11 times per annum on a full length (9-hole or 18-hole) golf course;
- Regular Golfers
 - Those golfers who play 12 to 51 times per annum on a full length (9-hole or 18-hole) golf course;
- Avid Golfers
 - Those golfers who play 52 or more times (52+) per annum on a full length (9-hole or 18-hole) golf course;
 - This is the equivalent of playing golf weekly throughout the year.

The Core Golfer is the grouping together of the Regular and Avid golfers and refers to all golfers who play 12 times a year or more on a full length (9-hole or 18-hole) golf course.

The Core Golfer is critical to the golf economy within England. As well as playing the most golf, the core golfers are also the players who have the highest expenditure and hence impact on the golf economy. In England whilst they make up only 37% of golfers, they account for around three quarters of the expenditure on golf by players.

4.2 ENGLISH GOLFER NUMBERS

4.2.1 ENGLISH GOLFER ANALYSIS & SEGMENTATION

TABLE 3: ENGLAND GOLFER NUMBERS

REGISTERED GOLFERS*	762,000	% of Total	27.1%
of which are Males	593,000	% of Males	77.8%
of which are Females	105,000	% of Females	13.8%
of which are Juniors	64,000	% of Juniors	8.4%
NOMAD GOLFERS+	2,050,000	% of Total	72.9%
TOTAL GOLFERS	2,812,000		
Population	53,000,000	% population that are golfers	5.3%
Golf Courses	1,867	Average registered golfers per course	408
		Average total golfers per course	1,506
CORE GOLFERS (12 + times per annum)	1,050,000	% core golfers	37.3%
Independent Driving Ranges	590		

*In England, Registered Golfers are the equivalent to golf club members.

*The estimate of NOMAD golfer numbers is taken from the long-standing SPORTS MARKETING SURVEYS INC Participation Study, which reports golfer numbers from a two year rolling average and is widely used within the industry.

In England one person in 19 is a golfer. This is a shade below the remainder of GB&I, though still well ahead of any other European country.

In common with the rest of GB&I, the sport is, however, far more male dominated than the other three key European golfing nations – France, Germany & Sweden. This long-established feature of golf in England has shown little change in recent years.

3. DIRECT INDUSTRIES

5.1 FACILITY OPERATIONS

TABLE 4: GOLF REVENUE BREAKDOWN

REVENUE TYPE	REVENUE (MILLIONS)	AVERAGE PER FACILITY (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Green Fees	£ 349.98	£ 0.19	£ 124.46
Members Fees	£ 823.84	£ 0.44	£ 292.97
Food & Beverage	£ 565.33	£ 0.30	£ 201.04
Driving Ranges and Golf Lessons	£ 53.76	£ 0.03	£ 19.12
TOTAL FACILITY OPERATIONS	£ 1,792.91	£ 0.96	£ 637.59

Figures for England are in bold. GB&I figures for comparison purposes are shown in lighter type.

The figures above have been calculated from research conducted by SPORTS MARKETING SURVEYS INC. among a sample of 100 clubs in England, selected to be geographically representative and weighted to set in proportion high-end & mainstream courses.

In a theme common throughout the analysis of the economic impact in England, English clubs punch above their weight in respect of value per golfer when compared with the rest of GB&I, reflecting higher costs and greater affluence in the areas of England which have the greatest number of golf courses. English golf courses contribute an average of £0.96m to the economy compared to the £0.94m contributed on average by courses across the whole of GB and Ireland.

TABLE 5: FACILITY TYPE

FACILITY TYPE	REVENUE (MILLIONS)	AVERAGE PER FACILITY (MILLIONS)
High-End Courses	£ 358.27	£ 1.47
Mainstream Courses	£ 1,434.64	£ 0.88
TOTAL FACILITY OPERATIONS	£ 1,792.91	£ 0.96

TABLE 6: INDEPENDENT DRIVING RANGES REVENUES

FACILITY TYPE	REVENUE (MILLIONS)	AVERAGE PER FACILITY (MILLIONS)
Independent Driving Ranges (Operating independently of golf clubs.)	£ 88.15	£ 0.15
TOTAL BY FACILITY (including Independent Driving Ranges)	£ 1,881.06	

No economic impact for mini-golf or adventure golf facilities has been included in the overall revenue calculation, as no definitive figures were available. The mini or adventure golf industry could contribute another £5 to £10 million from golf towards the English economy. This has not been included in the final economic impact figures.

5.2 CAPITAL INVESTMENT

5.2.1 GOLF COURSE MAINTENANCE

We estimate that close to £360 million is spent annually on golf course maintenance (including renovation and infrastructure improvements) in England.

TABLE 7: GENERAL MAINTENANCE, INFRASTRUCTURE IMPROVEMENTS & RENOVATION EXPENDITURE

ELEMENT	TOTAL EXPENDITURE (MILLIONS)	AVERAGE YEARLY EXPENDITURE PER FACILITY (MILLIONS)
General Maintenance (including infrastructure improvements and renovation)	£ 358.09	£ 0.19

Golf course maintenance costs include all expenditure on grass seeds, herbicides, pesticides, sand and third party contractors employed for specific renovation or infrastructure improvements – covering elements such as new bunkering or creation of new tees or greens. The general maintenance cost does not include the salaries of green-keeping or general course maintenance staff. Salary costs are already included in the economic impact evaluation and are accounted for in the Facility Operations golf course revenues – as these costs would have been factored into the pricing and operations revenues that are paid for through membership fees, subscriptions, and green fees.

The methodology of identifying the general maintenance and infrastructure improvement costs separately to on-going staff salaries and including this with the economic impact of golf on the economy of Europe, is consistent to the treatment of these elements in the USA 2011 Golf 20/20 report by SRI International, and The Australian Golf Industry Report 2010 by the Australian Golf Industry Council.

As stated in both these reports, there is potential for some double counting with an element of capital investment in golf facilities ultimately being funded from income already included in the golf course Facility Operations revenues – as with the staffing costs stated above. However, in order to be comparable with the reports for the Australian and US markets, and because it not possible to identify the extent of this double-counting, the full £360 million has been included in the final economic impact assessment.

5.2.2 COURSE MAINTENANCE MACHINERY

Golf course maintenance machinery and irrigation equipment is a requirement for all venues across England, and expenditure is part of the annual budget of a venue. Whilst some elements have shorter replacement cycles, than for example irrigation equipment, this is clearly a significant expenditure for English golf clubs.

TABLE 8: COURSE MAINTENANCE MACHINERY AND IRRIGATION EQUIPMENT EXPENDITURE

ELEMENT	TOTAL EXPENDITURE (MILLIONS)	AVERAGE YEARLY EXPENDITURE PER FACILITY (MILLIONS)
Course Maintenance Machinery and Irrigation Equipment	£ 82.85	£ 0.04

5.2.3 NEW COURSE CONSTRUCTION

TABLE 9: NEW COURSE CONSTRUCTION EXPENDITURE

ELEMENT	TOTAL EXPENDITURE (MILLIONS)
New Course Construction	£ 1.21

With a struggling economy and little shortage in available locations to play golf for those who wish to do so, 2012 saw relatively little expenditure on the construction of new golf courses in England or indeed in any of the major golf playing nations.

5.2.4 SUMMARY OF CAPITAL INVESTMENT AND MAINTENANCE

TABLE 10: GOLF COURSE CAPITAL INVESTMENT & MAINTENANCE EXPENDITURE

ELEMENT	TOTAL EXPENDITURE (MILLIONS)	AVERAGE YEARLY EXPENDITURE PER FACILITY (MILLIONS)
General Maintenance (including infrastructure improvements and renovation)	£ 358.09	£ 0.19
Course Maintenance Machinery and Irrigation Equipment	£ 82.85	£ 0.04
New Course Construction	£ 1.21	
TOTAL GOLF COURSE CAPITAL INVESTMENT & MAINTENANCE EXPENDITURE	£ 442.15	£ 0.20

The point made about England over-achieving compared to the rest of GB&I in terms of economic impact generated by the game of golf is certainly true of capital investment and maintenance. England has 67% of GB&I golfers and 61% of GB&I clubs. The capital investment contribution for England contributes 70% of the GB&I total.

5.3 GOLF EQUIPMENT & RELATED SUPPLIES

5.3.1 GOLF EQUIPMENT

Expenditure on the key items of golf equipment is the retail sales value at point of sale from specialty retail outlets, both on and off-line. Costs of staff salaries and operational elements are covered within the sales revenue achieved, and so not identified separately or included in addition within the economic impact. This removes any potential double counting. Total expenditure of £826 million is 24.6% of the total economic impact of golf on the economy of England.

The figures for clothing allow for the purchase of apparel that is not golf specific, but is bought primarily for playing golf – this will include shirts, fleeces, socks, trousers and outerwear.

TABLE 11: GOLF EQUIPMENT REVENUES

ELEMENT	TOTAL REVENUE (MILLIONS)	% SALES	AVERAGE EXPENDITURE (ALL GOLFERS)
Clubs	£ 170.13	20.59%	£ 60.50
Shoes	£ 41.31	5.00%	£ 14.69
Balls	£ 49.26	5.96%	£ 17.52
Gloves	£ 25.84	3.13%	£ 9.19
Bags	£ 60.93	7.37%	£ 21.67
Manual Trolleys	£ 13.60	1.65%	£ 4.84
Power-assisted Trolleys	£ 55.08	6.67%	£ 19.59
Clothing	£ 305.03	36.92%	£ 108.47
Accessories	£ 70.93	8.59%	£ 25.22
Other Pro Shop Sales	£ 34.08	4.12%	£ 12.12
Total	£ 826.17	100%	£ 293.80

NB – Accessories include Distance Measuring Devices, tees, ball markers, pitch mark repairers and umbrellas. Other Pro Shop Sales include the sale of confectionary, water & other drinks, course guides, ball markers and pencils etc.

Our estimates based on our Retail Audit (data collected from a representative panel of specialist golf retailers, reflective of the marketplace) and backed by expert industry opinion, shows expenditure on golf equipment in England to be at 70% of expenditure in GB&I despite England accounting only for two thirds of GB&I golfers and for 6 in 10 clubs.

5.3.2 GOLF BOOKS & DVDS

Though individual golf books and DVD's tend not to be massive sellers, there are many produced each year, including instructional books, biographies, histories of the game, coffee table books, and tournament and player DVD's. In total, they represent a valuable contribution to the golf economy of around £65 million.

TABLE 12: GOLF BOOKS & DVD REVENUES

	TOTAL REVENUE (MILLIONS)	AVERAGE EXPENDITURE (ALL GOLFERS)
Golf books & DVDs	£ 0.64	£ 0.23

With most publishing monthly, it is perhaps unsurprising that the golf magazine market is a greater contributor to the English golf economy than are golf books and DVD's.

5.3.3 GOLF MAGAZINES

TABLE 13: GOLF MAGAZINE REVENUES

	TOTAL REVENUE (MILLIONS)	AVERAGE EXPENDITURE (ALL GOLFERS)
Golf magazines	£ 9.22	£ 3.28

5.3.4 SUMMARY OF GOLF EQUIPMENT & RELATED SUPPLIES

In total, the sale of golf equipment and related supplies is generating almost £836 million each year for the English economy, or 24.6% of the total golf impact on the economy of England.

TABLE 14: GOLF EQUIPMENT & RELATED SUPPLY REVENUES

ELEMENT	TOTAL REVENUE (MILLIONS)	AVERAGE EXPENDITURE (ALL GOLFERS)	AVERAGE EXPENDITURE (CORE GOLFERS)	AVERAGE EXPENDITURE (CASUAL GOLFERS)
Golf Equipment	£ 826.19	£ 293.80	£ 587.33	£ 118.36
Golf Books and DVDs	£ 0.64	£ 0.23	£ 0.45	£ 0.09
Golf Magazines	£ 9.22	£ 3.28	£ 6.55	£ 1.32
TOTAL GOLF EQUIPMENT & RELATED SUPPLY REVENUES	£ 836.05	£ 297.31	£ 594.33	£ 119.77

5.4 EVENTS/ASSOCIATIONS

There are a number of established professional tours operating in Europe, each of which sees some events hosted in Europe. These each have a number of infrastructure costs – from stands, and staffing – as well as revenues such as ticket and hospitality sales – that are generated through these events.

In order to ensure no double-counting of the economic impact, SPORTS MARKETING SURVEYS INC. has agreed with the stakeholders that the majority of events operate on a 'break-even' basis where all revenues and sponsorships equate to the total value of the prize money.

Hence, the total tournament prize money has been taken as the economic impact of the tournaments held in England and delivers a total of more than £14 million of commercial benefit.

5.4.1 EVENT PRIZE FUNDS

TABLE 15: EVENTS

	ENGLAND (MILLIONS)	GB&I (MILLIONS)
Principal Tours	£ 11.48	£ 24.64
Second Tier Tours	£ 0.13	£ 0.32
Third Tier Tours	£ 0.46	£ 0.68
National/Regional Events	£ 2.11	£ 3.01
Total	£ 14.18	£ 28.65

Principal Tours are the Men's European Tour plus the Open Championship, European Senior Tour and Ladies European Tour. **Second Tier Tour:** This is the Challenge Tour (Players who are successful on the Challenge Tour qualify for membership of the European Tour the following year). **Third Tier Tours:** Satellite Tour (one competitive level down from the Challenge Tour are four third-level developmental tours—the Alps Tour, the EPD Tour, the PGA EuroPro Tour and the Nordic League, each of which is based in a different region of Europe.).

The Open Championship is among the events included in the Principal Tour figures. The event is, however, highly profitable and needs, therefore, to be considered beyond our assumption that total prize money is the best indicator of revenue generated.

The Open is far and away the greatest contributor to the funding of the R&A and indirectly, therefore, to the work that the R&A does in seeking to develop the game globally. Our estimate of the proportion of its revenue which is redistributed annually within England is incorporated into our estimated charity contribution at 5.4.2.

The same is true of the proceeds from the Ryder Cup which is hosted in Europe every four years, and which sees its profits distributed in each of the four years which follow, in ways which aim to develop the game within Europe. Again, the specific contribution to England has been estimated and is shown in our estimated charity contribution at 5.4.2.

5.4.2 CHARITY

The game of golf in England delivers a huge annual contribution to charitable activities within England and beyond. We estimate the total economic impact of golf to the charity economy in England at a little over £40 million.

This contribution can be split into three distinct categories:

- **FUNDING THE GAME:** the funding of initiatives designed to develop the game in places where resources for such developments are very limited and among people who would themselves struggle to fund such initiatives.
 - The R&A's regeneration of Open Championship profits and the annual distribution of Ryder Cup revenue are the two greatest contributors here.
 - A substantial amount of the R&A's charitable spend is outside of Europe. We have excluded money spent outside England in the total economic impact.
- **PLAYER FOUNDATIONS:** fundraising on behalf of the many charitable foundations which bear the names of current and former players on the various tours in Europe.
 - This includes, for example; the Seve Ballesteros Foundation; the Lee Westwood Foundation; and Colin Montgomerie's trust in memory of his mother – The Elizabeth Montgomerie Charity Foundation; etc.
- **LOCAL VENUE & TOURNAMENTS:** fundraising on behalf of national and international charities which most commonly will not have a golf relationship in terms of the charitable work that they focus on.
 - The revenue will have been generated from a local golf club fundraiser or a tournament's charity affiliation.

TABLE 16: CHARITABLE CONTRIBUTIONS

	TOTAL REVENUE (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Charitable Contribution	£ 40.25	£ 14.32

SPORTS MARKETING SURVEYS INC. is confident that the charitable contribution made by the game is a minimum of £40 million. Factors like the extent to which people support charities on an on-going basis having first being inspired to do so by participating in a golf fundraiser or being attracted to a charity by its association to a famous golfer are often long term, and cannot be robustly identified and included in this economic impact calculation.

5.4.3 NATIONAL ASSOCIATIONS

We estimate that close to £27 million is generated for the English economy from membership fees, sponsorship and other revenue from England Golf and other organisations and special interest groups in England.

TABLE 17: NATIONAL ASSOCIATION'S REVENUES

REVENUE TYPE	TOTAL REVENUE (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers) (MILLIONS)
Members Fees	£ 17.15	£ 6.10
Sponsorship	£ 2.89	£ 1.03
Revenues	£ 6.89	£ 2.45
TOTAL NATIONAL ASSOCIATION REVENUES	£ 26.93	£ 9.57

5.4.4 SUMMARY OF EVENTS/ASSOCIATIONS

We estimate the total of revenue generated by events, associations and charitable contributions to the economy in England as in excess of £80 million annually.

TABLE 18: TOTAL REVENUE FROM EVENTS / ASSOCIATIONS

ELEMENT	TOTAL REVENUE (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Event prize funds	£ 14.18	£ 5.04
Charity	£ 40.25	£ 14.31
National Associations	£ 26.93	£ 9.58
TOTAL REVENUE FROM EVENTS / ASSOCIATIONS	£ 81.36	£ 28.93

4. ASSOCIATED INDUSTRIES

6.1 REAL ESTATE

In evaluating revenue generated from real estate, the economic impact is the sale of new dwellings and land by golf courses in a 12 month period. We have only allowed for the first time sale of a property as any subsequent sales of the properties involve a transaction between buyer and seller which will not further benefit the original developer, or further impact on the golf economy on England.

On average, it seems that a 'real estate premium' of 20% applies to properties which are built on golf course land, i.e. the value increases by a fifth, on average, when compared with a similar property in the area that is not located on or adjacent to a golf course.

As with new course construction, real estate revenue generation in 2012 was well below the level of the early years of this century. This reflects the reduction in property values and reduced activity of property developers in a less buoyant market.

TABLE 19: REAL ESTATE REVENUES

ELEMENT	TOTAL REVENUE (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Real Estate	£6.23	£2.22

6.2 TOURISM

The receipt of tourist revenue is one of the few areas where, relative to size, England under performs when comparison is made with the other countries which comprise GB&I. Our research and independent industry advice suggests that within GB&I 60% of revenue generated by people taking golfing holidays in their own country is generated by English residents holidaying in England and that 55% of other golf tourism spend which comes to GB&I comes to England.

TABLE 20: TOTAL TOURISM REVENUES

ELEMENT	TOTAL REVENUE (MILLIONS)
Domestic Golf Holidays	£49.67
Non-Domestic Golf Holidays	£59.12
TOTAL TOURISM REVENUES	£108.79

5. GOLF RELATED EMPLOYMENT

The figures from Golf Related Employment and the total number of people employed by the game in England are already included in the overall economic impact of golf on the English economy. However, in order for comparison with studies from SRI and Golf20/20 in the United States, and the Australian Golf Industry Council for the Australian 2012 report, SPORTS MARKETING SURVEYS INC. has calculated the total number of full time equivalent individuals employed; and the associated salary costs for golf in England.

This includes employees working at golf courses, for golf institutions and Federations, for manufacturers of equipment and machinery, in dedicated television production, for agencies, and in retail. SPORTS MARKETING SURVEYS INC. estimated staff costs at almost £800 million in the reported 12 months and accounts for nearly 50,000 full time equivalent employees in golf.

TABLE 21: EMPLOYEE NUMBERS, AVERAGE SALARY AND TOTAL WAGE BILLS

TOTAL EMPLOYEE NUMBER		AVERAGE SALARY (per GOLF F.T.E.* EMPLOYEE)	
England	48,491	England	£19,818.85
		Total staff wage bill England (millions):	£779.63

* F.T.E. is FULL TIME EQUIVALENT.

The tables below split golf employment between those working at or for golf clubs & courses (78% of total wage bill), Federations and Associations (2% of total wage bill) and manufacturers, distributors and retailers (20% of total wage bill):

TABLE 22: GOLF COURSE STAFF SALARIES

	TOTAL SPEND / IMPACT (MILLIONS)	AVERAGE PER FACILITY (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Staff Wage Bill	£752.71	£0.40	£267.68

Figures for England are in bold. GB&I figures for comparison purposes are shown in lighter type.

The total staff wage bill for golf courses is a little over three quarters of a billion pounds. This is 78% of the total wage bill and economic impact of golf related employment in England.

Within the golf course employment category, England accounts for 64% of the GB&I total.

TABLE 23: FEDERATIONS/ASSOCIATIONS/UNION STAFF SALARIES

	TOTAL SPEND / IMPACT (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Staff Wage Bill	£21.26	£7.56

The Federations, Associations and Golf Union staff salaries generate a little over £20 million in England.

TABLE 254 MANUFACTURE, DISTRIBUTION, RETAIL, MARKETING AND SUPPORT STAFF SALARIES

	TOTAL SPEND / IMPACT (MILLIONS)	VALUE PER GOLFER (Total of registered & non-registered golfers)
Staff Wage Bill	£187.06	£66.52

The staff wage bill for the manufacture, distribution, retail, marketing and support staff is a total of over £185 million. This is 71% of the total GB&I wage bill for this purpose.

6. ABOUT SPORTS MARKETING SURVEYS INC.

SPORTS MARKETING SURVEYS INC. is a leading sports research consultancy servicing the sporting goods, sports lifestyle, sports facility and sports tourism industries. With particular focus and experience in golf, the company works alongside golf's major manufacturers, professional bodies, venues and tourist boards. **SPORTS MARKETING SURVEYS INC.** is a market leader in understanding the golfing population; who they are, what they want and what needs to be done to appeal to them.

Working internationally with SPORTS MARKETING SURVEYS USA to provide a full service of INVESTIGATION, INSIGHT and considered ACTION for the golf industry. Our portfolio of research includes:

- Brand awareness & satisfaction studies
- European & international golfer behaviour
- Customer satisfaction
- European Tour equipment census
- Retail audit sales performance across Europe
- Participation & lifestyle analysis
- Golf tourism & economic impact assessment
- Golf event participant & spectator research.

SPORTS MARKETING SURVEYS INC. & SPORTS MARKETING SURVEYS USA. also specialise in cycling, running, team sports, tennis and winter sports; as well as participation levels across all sports, to enable context in the findings for the golf industry.

8.1 OUR FOCUS

To provide excellence in service, solutions & insights to all those interested in participation rates, equipment & facility usage, sports brand image, retailer & end-consumer satisfaction, operating costs and benchmarking studies across the sporting industry.

8.2 OUR CLIENTS

We work closely with many companies & organisations across the golf industry including:

Acushnet: Titleist & Footjoy	TaylorMade	Callaway	Adidas
Srixon	Cleveland	Galvin Green	PING
The R&A	UKGOA / EGCOA	The PGA / PGAE	The European Tour
Bridgestone	ECCO	Mizuno	GolfBuddy
Ashworth	Odyssey	Cobra	PUMA Golf
Visit Wales	England Golf	Golf Pride	Burhill Golf & Leisure

We have established partnerships & relationships with many retailers, venues, and Federations in Golf including: The European Tour (Official Equipment Census Provider), The French Golf Federation (FFG), the Golf Foundation, England Golf Partnership, Golf.de, Golf.dk, HowDidiDo, Golfbreaks.com, Golf Business Development, Reed Travel Exhibitions & the International Golf Travel Market (IGTM).

Our European Retail Audit monitors the specialty golf retail market in the four key markets of France, Germany, Sweden and the United Kingdom on a monthly basis. We also undertake research every month with core golfers in these and other European markets.

SPORTS MARKETING SURVEYS USA. works closely with a number of organisations across the golf industry including the National Golf Foundation (NGF).

8.3 OUR HISTORY

Sports Marketing Surveys Ltd was established in 1984 and has worked on the international sports market for many years under the guidance of STEPHEN PROCTOR.

In 2011, SPORTS MARKETING SURVEYS INC. was formed from a buyout of the sports equipment business from IFM Sports Marketing Surveys. Managing Director, JOHN BUSHELL, has been involved in the golf industry since 1995 and as a director of Sports Marketing Surveys Ltd since 2000.

STEPHEN PROCTOR remains Chairman, and key individuals include RICHARD PAYNE, SENIOR MANAGER, SPORTS ACCOUNTS and MICHAEL STONE, HEAD OF RESEARCH.

9. CONTACTS

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