

Service concepts, market considerations and the future of golf in the Netherlands

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Golf is the fastest growing sport in the Netherlands with the number of regular golfers expected to double to 550,000 in the coming decade [Van Bottenburg 2007, NGF 2008]. To satisfy the demand for increased play, the temptation is to build new golf courses as the market demands. However, as it has been shown in other countries, indiscriminate construction of new golf facilities has led to less than favorable results [NVG 2007, Horwarth 2007]. It is proposed that a more effective strategy is to upgrade customer value proposition through product differentiation. In other sectors of the economy where there are large target groups with varying needs in competitive markets, service concepts are being implemented successfully. Applying the service concept theory to the world of golf appears to be a viable strategy toward achieving an enhanced level of operational management and competitiveness. This comes at a time of anticipated growth, during the coming decade, when the golf business is projected to reach the saturation point in the Netherlands [Van Bottenburg 2004].

The research is aimed at the situation after the saturation point, ending with the desired golf matches at the Olympic Games of 2028 in the Netherlands. Therefore, the research question posed for this study was: How can service concepts contribute toward market developments in the Dutch golf industry over the next twenty years? The research project consisted of two phases: 1. The analytical phase: Using current literature and in-depth interviews, a profile has been developed of the current status and future projections of the Dutch golf industry. A number of certainties and preconditions for growth were identified, during this phase. 2. The creation phase: Based on the knowledge that was acquired during the analytical phase, a series of golf concepts were developed using the scenario theory [Nekkers 2006]. A golf concept is described as a service concept [Hurts 2006] complemented with the personae and function of usage [Cooper 1999] and the appearance form. The resultant golf concepts were validated by experts in the golf domain. The product of this research can provide a blueprint for the development of the golf industry in the Netherlands for the next twenty years. In addition to the identification of golf concepts, guidelines are provided to the developers of golf facilities who are attempting to tap into a specific market.

The scenario method - which Shell has used for forty years to determine its long term strategy - has served as a guideline for this analysis. Thirty trends were distilled – in the fields of golf facts & figures, sociology, technology and regional planning [Westerbeek 2003] – to form the golf concepts that were designed. The outcome of the scenario theory is a coordinate system with a scenario in each quadrant. The basis of this coordinate system is formed by the two largest key-uncertainties. These key-uncertainties emanate from the trends with the greatest insecurity and the highest impact – because they lead to the most substantially different scenarios. The two core unpredictabilities are: * Value of space * Differentiated golf perception. Each of these unpredictabilities can be viewed as continuums with identified extremes. The polar extremes for "value of space" are identified as High Value and Low Value. The extremes for "differentiated golf perception" are Intrinsic (golf is central) and Extrinsic (golf is part of a social activity).

The four quadrant model allows for golf course designs to be matched against potential markets. Based on these propositions, golf course developers can tailor their plans to fit into the varying needs of the growing population of Dutch golfers. Merely building more golf courses is not the solution to the projected increased demand. Differentiated golf course developments based on economic and ecological preconditions is recommended as a result of this analysis. Golf Concepts Developing golf concepts was a creative process during which information obtained during interviews was compiled with careful consideration of several preconditions (trends with high impact and reasonable certainty). Seven golf concepts were identified, of which five are relevant to this study. * Driving Force of Nature – a course in harmony with an area of natural beauty * Just Golf – a course catering to avid golfers * Five Star – a full service resort which offers golf among its other amenities * Founded 1908 – a traditional "country club" course with exclusive membership * Virtual Grass – a course with a small footprint aimed at sport/entertainment Based on this study, the most salient advice for Dutch golf course developers is to choose one golf concept and keep it in mind, when designing and constructing the venue. A suitable combination of target group, function of usage and regional characteristics forms the basis of this choice. Then, market and manage the concept in a concerted fashion with the stakeholders keeping in mind the service concept.

The research question has been answered by providing a template for golf course developers to follow over the next two decades. The golf concepts that have been identified can be viewed by experts within the Dutch golf industry as realistic and useful parameters for guiding future golf course designs. Golf in the Netherlands is still in its infancy and both golf products and services need to be developed in a differentiated fashion. This is contrary to Hurts service concept theory [2006]. In this theory Hurts states that the service concept (and not the product itself) is the only way to distinguish oneself. Normally,

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methods are merely employed as a means of achieving a goal. However, in this study, the scenario method contributed at least as much to the study outcome as the service concept theory. Thus, there is support for employing both the service concept theory and the scenario method simultaneously in comparable studies.