



Oregon and the Golf Travel Market



2007

Presented April 17, 2007 by:
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Agenda

- **Seizing Segmentation**
- **The Power of the Golfer as Traveler**
- **2005 Golf Travel & Destination Study**
- **Process of Vacation Planning**





Seizing Segmentation

Here Come the Zoomers

Seizing Segmentation

God's Waiting Room



GODSPELL



Meets

Becomes



Today's New Generation
For Marketers

Seizing Segmentation

“To be successful in reaching the growing Boomer market, we can’t let the past get in our eyes... put aside the old, negative stereotypes, cast aside previous assumptions and begin to look at this population through a new lens.”

– William D. Novelli



Seizing Segmentation

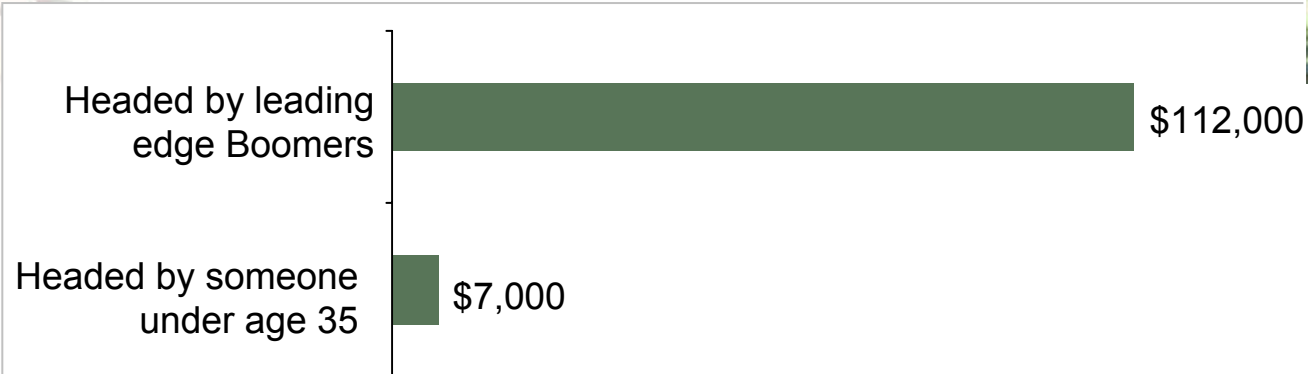
The Power of the Boomer Market

- 78 million baby boomers range in age from 40 to 58
- The Boomer population controls \$28 trillion or 67% of our nation's wealth, plus:
 - 40% of all mutual funds
 - 60% of all annuities
 - 48% of all luxury cars



Source: Age Wave, Inc.

Median net worth of households – 2000 Census



Seizing Segmentation



TOMORROW



- Economists estimate that Boomers will experience the greatest wealth transfer in history – \$12 trillion over the next 20 years and \$161 billion alone in 2003 inheritances according to Boston University economist Laurence Kotlikoff.

“The impact of the aging population on markets, employers and cultures cannot be overstated. Just as the Baby Boom flooded maternity wards, ignited school construction and made youth the cultural icon of the '50s, '60s and '70s, the Senior Boom of this century will shape the 2010s, '20s and '30s.”

– Richard Hobbs, American Institute of Architects

Seizing Segmentation

Unlocking the Boomer Mindset – Not Your Father's Retiree

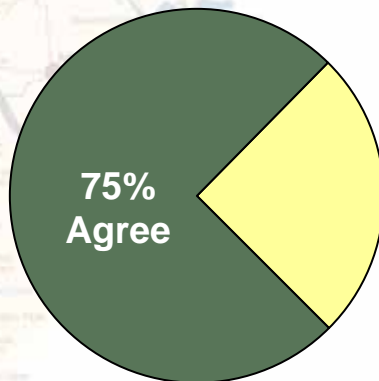
- Idealism
- Spiritualism
- “Been there, done that” (rejection of the ordinary – experience seekers)
- Fun & Novelty
- Instant Gratification
- Selfishness
- Rejection of Traditional Values

Seizing Segmentation

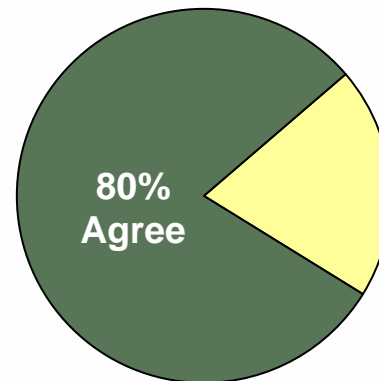
Unlocking the Boomer Mindset – Not Your Father’s Retiree

Compared to My Parents...

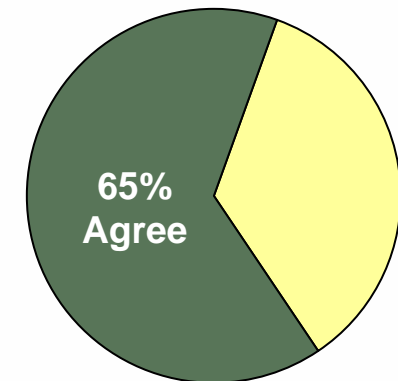
...I’m more self-indulgent



...I plan to work at least part-time during retirement



...I’m confident that I will have enough to retire in comfort



Source: Study of 2,000 Baby Boomers – NOP World

Seizing Segmentation

45 is the New 25!

“We are all beginning to realize that because we are living longer, old may not begin until 75 or 80”

– Ken Dychtwald, Age Wave, NY Times, 12/01/2003

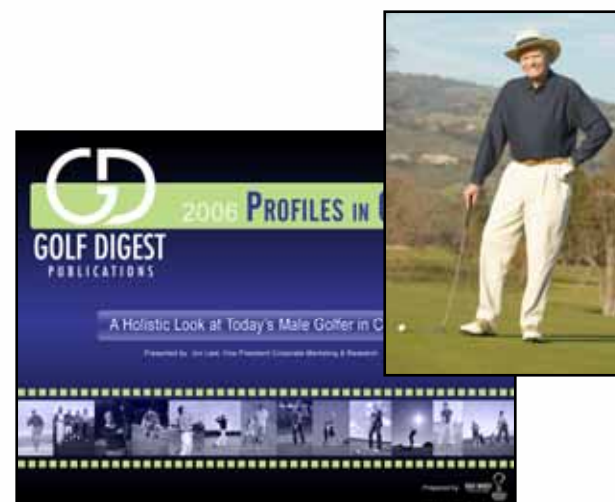
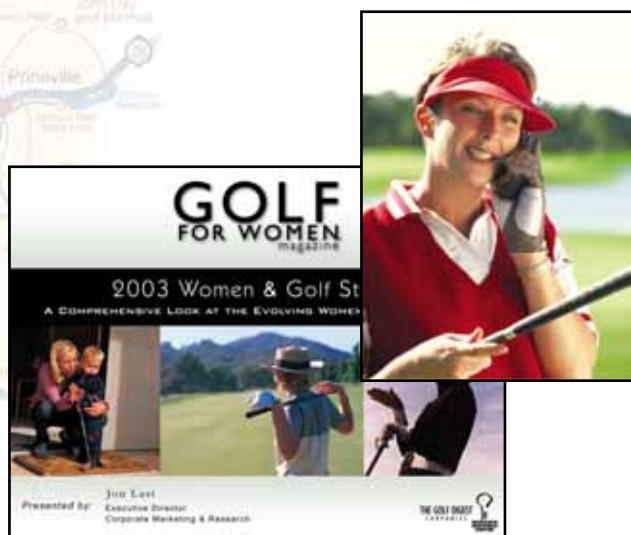


Vibrant ▪ Active ▪ Free To Spend
Considerable Wealth ▪ Seeking
Relevance ▪ Re-inventing
Retirement



Seizing Segmentation

And The Golf Lifestyle Is In Synch With Many Of “Life’s Rewarded” & “Country Club Elite”



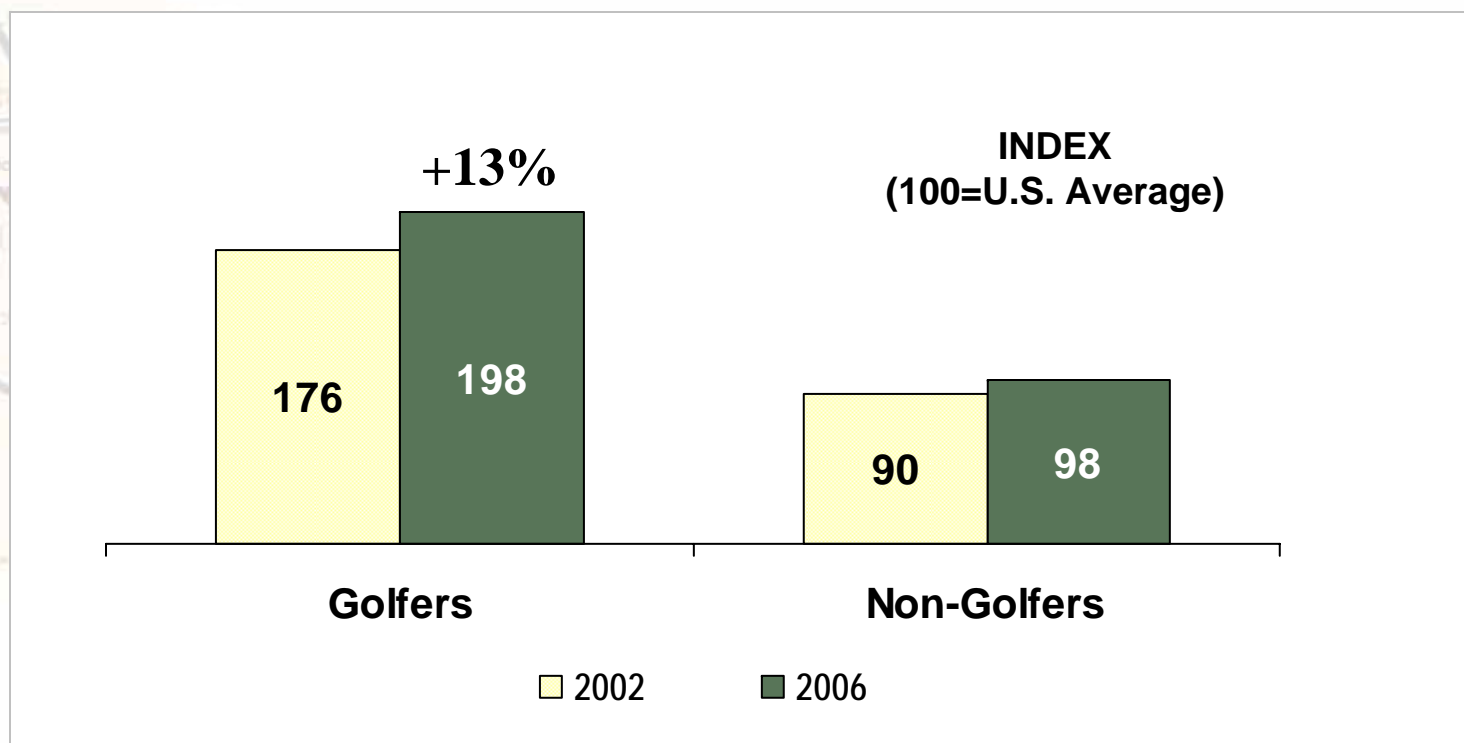
Competitive • Brand Conscious • Pursuing the Best •
The Club Community and Travel As Important Anchors



The Power of the Golfer as Traveler

The Power of the Golfer as Traveler

Golfers Are Even More Likely Than Non-Golfers to Be Avid Travelers
(5+ Domestic Trips)

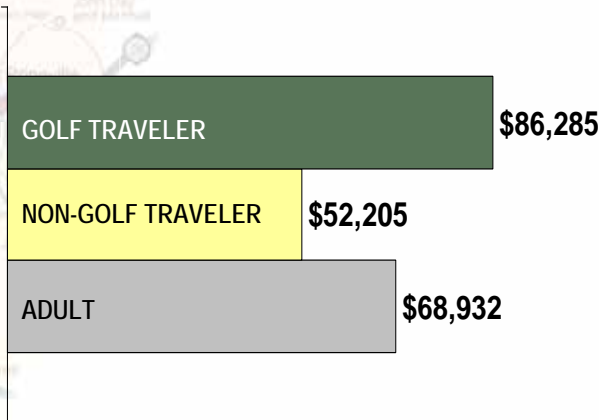


Source: MRI Spring 2002, 2006

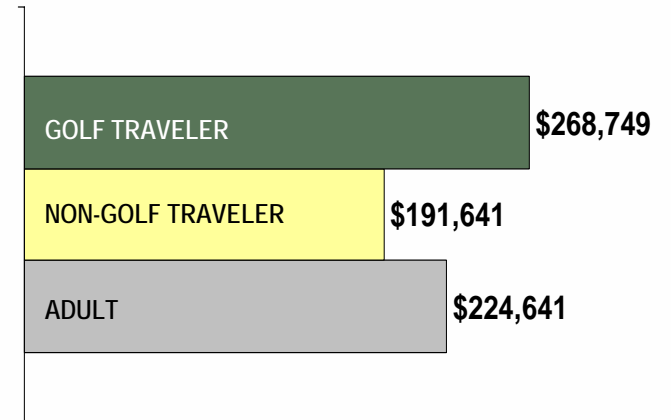
The Power of the Golfer as Traveler

The Golf Traveler: A More Affluent Traveler

Median HHI



Median Home Value



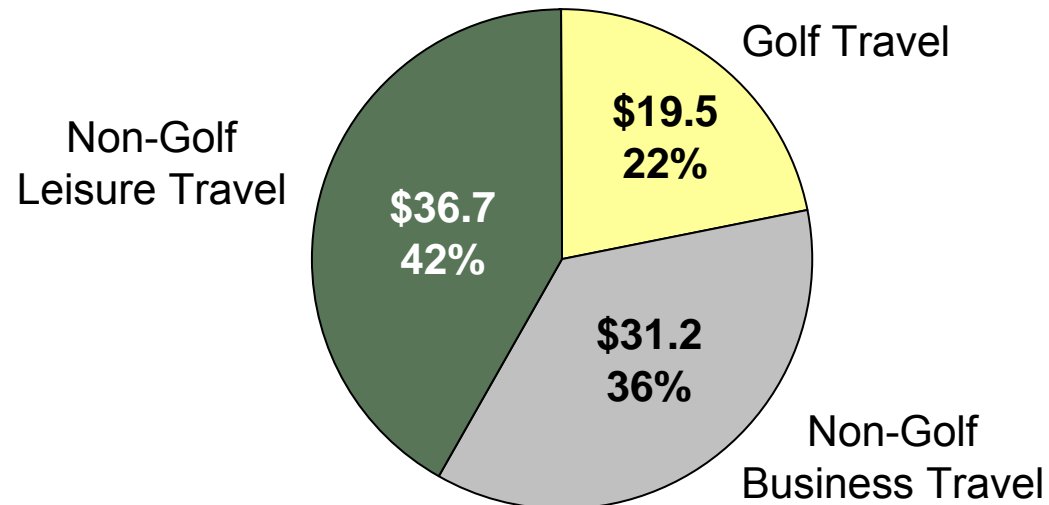
- **Golf Traveler:** Played golf on vacation in past year
- **Traveler:** Taken 1+ trip in past year

Source: MRI Spring 2006

The Power of the Golfer as Traveler

The Golf Traveler: A More Affluent Traveler

- Last Year Travel Expenditures Amongst Golfers Exceeded \$87.4 Billion
 - Spending nearly more than twice that of non-golfers on a per person basis



Sources: RRC calculation of TIA and NGF data

The Power of the Golfer as Traveler

The Golf Traveler: Spends More On Vacations

Participated in the Following on Vacation

(Spent \$2,000+ on Domestic Vacation in Past Year)

	2005 # of People
Golf	1,371,000
Bicycling	882,000
Running/Jogging	661,000
Health Spa/Retreat	818,000
Snow Skiing	685,000
Play Tennis	219,000

Source: MRI Fall 2005



2005 Golf Travel & Destination Study

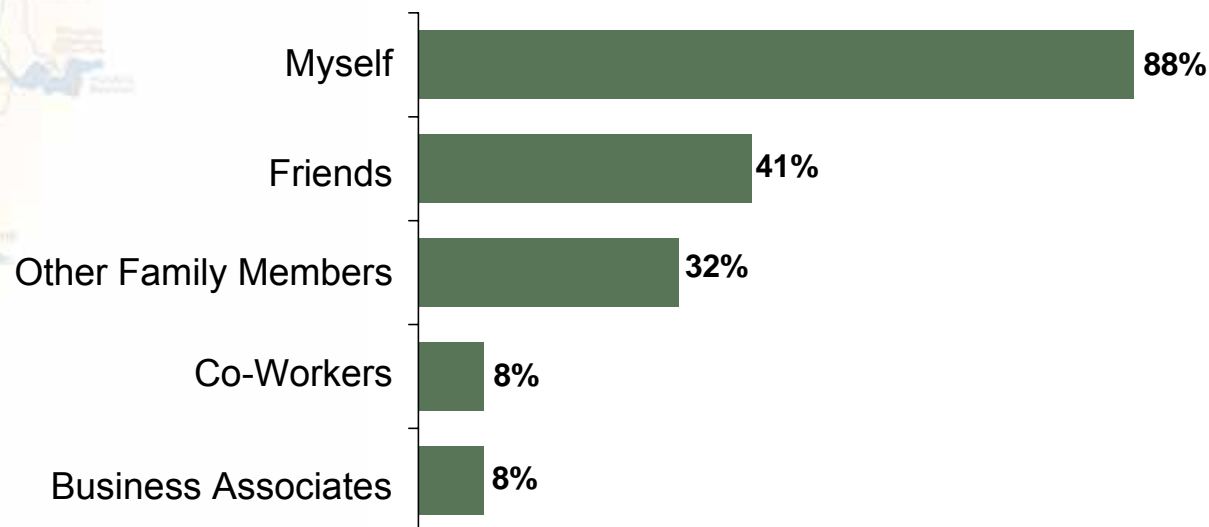
Planning Golf Vacations

Subscribers Make The Decisions
And Influence Others

Planning Golf Vacations

79% of Golf Digest Subscribers Have Planned a Golf Vacation – and Those Planning Golf Trips Often Handle the Details for Others!

Who have you planned a golf vacation for?



Planning Golf Vacations

Planning a Golf Vacation

- 69% of respondents strongly agree that going to different destinations enhances the golf experience
- Nearly half research a variety of destinations before making a final decision (49%)
- 70% of those surveyed disagree that home state golf courses have improved to the point that they will take fewer golf vacations
- Following a strong 2004, half said they are planning more golf vacations in the coming 12 months

Planning Golf Vacations

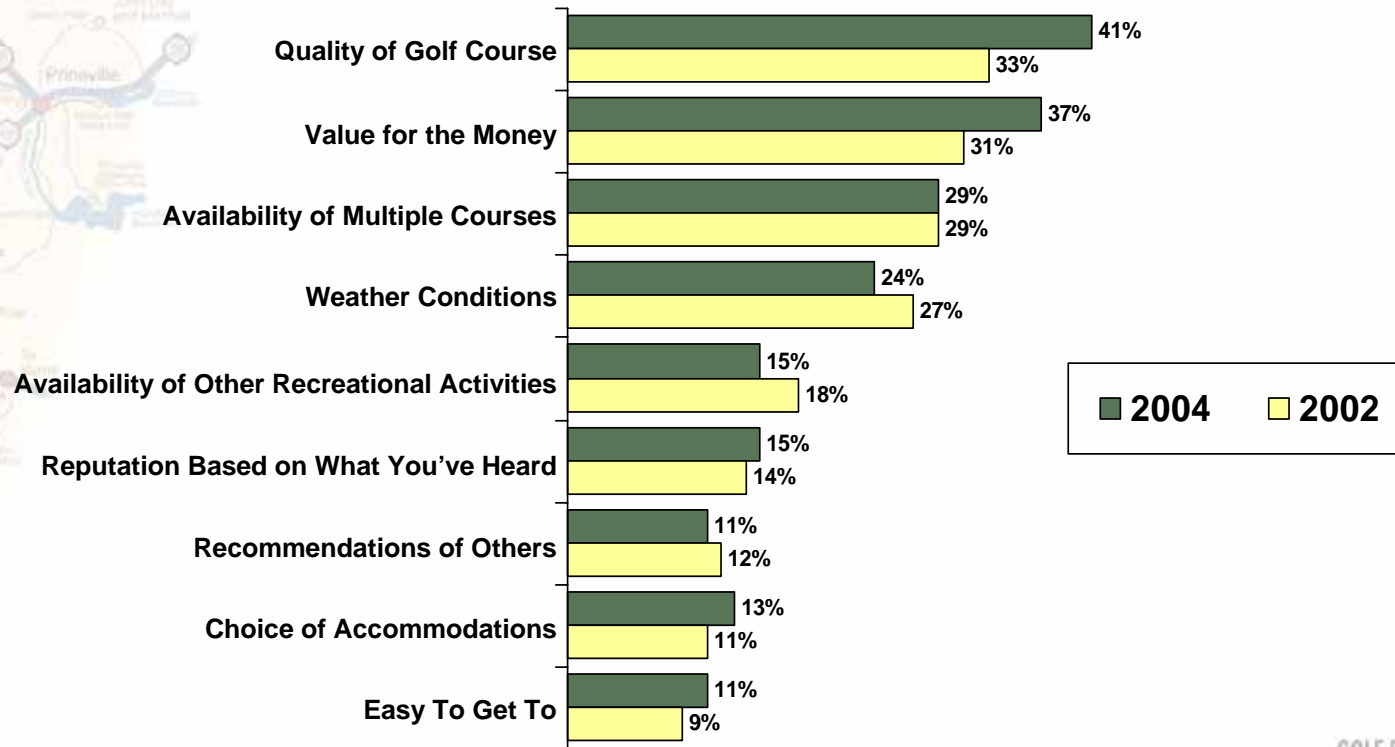
Golfers Spent More Time Booking Golf Vacations In '04 Compared to a "More Impulsive Attitude" in 2002!

	2002	2004
Planning golf vacation 3+ months	49%	52%
Booking reservations 3+ months	33%	39%

Planning Golf Vacations

The “Paradigm Rules” and is More Important than Ever!

Which are the two most important deciding factors for choosing a golf destination?

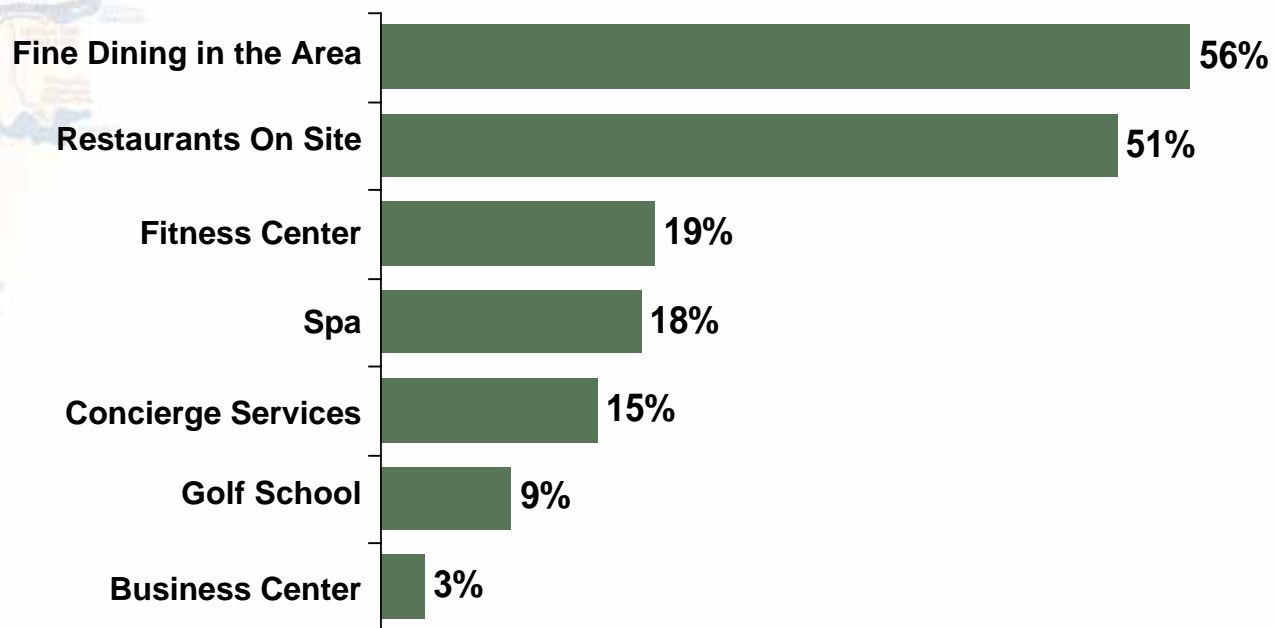


Base: Planned a golf vacation

Planning Golf Vacations

Serious Golfers Seriously Consider Dining Opportunities When Choosing a Golf Vacation Destination

How important do you rate the following amenities when choosing a golf destination?



Base: Planned a golf vacation; rated "4" or "5" on a five point importance scale

Planning Golf Vacations

Income Drives Significant Differences in Desired Amenities

How important do you rate the following amenities when choosing a golf destination?

5 Point Scale	– INCOME LEVELS –	
	<\$100M Mean	>\$100M Mean
Spa	1.9	2.3
Fitness Center	2.1	2.6
Concierge Services	2.0	2.4
Fine Dining in the area	3.3	3.6

Base: Planned a golf vacation

Destination Awareness

Hawaii & San Diego Come Back; Las Vegas and Orlando Lose Rank Over Last Two Reports; Oregon Increases Awareness - Still Ranks Low

– Top Ten U.S. Destinations & Oregon Destinations –
Percent Who Know a Lot/Know Something About These Areas

	2004 Rank	Incidence	2002 Rank	Incidence	2001 Rank
Myrtle Beach, SC	1	68%	1	69%	1
Hawaii	2	67%	5	64%	5
Hilton Head	3	67%	1	69%	4
Las Vegas	4	66%	3	68%	2
Orlando	5	64%	4	65%	2
Charleston/area	6	57%	6	56%	7
Scottsdale/Phoenix	7	57%	7	55%	6
Pinehurst/surrounding area	8	51%	9	51%	12
Miami/Ft. Lauderdale	9	48%	8	52%	8
San Diego	10	48%	13	40%	9
Oregon Coast, OR	33	21%	33	18%	NM
Bend/Sun River area, OR	35	18%	35	14%	28
Number of Common Markets Measured:	36		36		28

NM = not measured

Golfer Perceptions

Newbie Kohler Tops List for Quality, Oregon Delivers Both Bend and the Oregon Coasts; RTJ Trail Posts Remarkable #6 Spot

Top Ten U.S. Destinations – Mean “Quality of Golf” Scores

	2004 Rank	2002 Rank	2001 Rank
Kohler, WI	1	3	NM
Monterey Peninsula, CA	2	1	2
Pinehurst & surrounding area	3	2	1
Hawaii	4	4	3
Hilton Head, SC	5	7	5
Robert Trent Jones, Trail, AL	6	9	8
Bend/Sun River, Oregon	7	15	10
Scottsdale/Phoenix, AZ	8	6	4
Myrtle Beach, SC	9	8	7
Oregon Coast, OR	10	10	NM
Number of Common Markets Measured:	36	36	28

NM = not measured

Golfer Perceptions

Oregon Coast Breaks into Top Ten; Mid-West Takes #3 an #5 Positions; Myrtle Beach and “The Trail” Lead in Value

Top Ten U.S. Destinations – Mean “Value for the Money” Scores

	2004 Rank	2002 Rank	2001 Rank
Myrtle Beach, SC	1	1	2
Robert Trent Jones Trail, AL	2	2	1
Northern Michigan	3	6	3
Gulf Shores, AL	4	3	7
Minnesota	5	7	NM
Northern Carolina Mountains	6	3	6
Bend/Sun River & surrounding area, OR	7	5	8
Oregon Coast, OR	8	13	NM
Mississippi Gulf Coast, MS	9	9	NM
Charleston & surrounding area, SC	10	8	9
Number of Common Markets Measured:	36	36	28

NM = not measured

Golfer Perceptions

Oregon Destinations Share Strong “Top 5” Positions for “Quality of Golf” Among Major Regional Competitors!

Competitive Set – Mean “Quality of Golf” Scores

	2004 Rank	2002 Rank	2001 Rank
Monterey Peninsula, CA	1	1	1
Hawaii	2	2	2
Bend/Sun River area, OR	3 t	6	4
Scottsdale/Phoenix, AZ	3 t	3	3
Oregon Coast, OR	5	4	NM
San Diego, CA	6	8	6
Tucson, AZ	7	5	5
Canadian Rockies/ Banff, CA	8	9	NM
Las Vegas, NV	9	7	7
Lake Tahoe/ Reno, NV	10	10	8
Number of Common Markets Measured:	10	10	8

“t” = tie NM = not measured

Golfer Perceptions

For the Past Three Studies Bend/SunRiver area Tops List of Regional Competitors for “Value for the Money!”

Competitive Set – Mean “Value for the Money” Scores

	2004 Rank	2002 Rank	2001 Rank
Bend/Sun River area, OR	1	1	1
Oregon Coast, OR	2	2	NM
Tucson, AZ	3	3	2
Canadian Rockies, Banff, CA	4	5	NM
San Diego, CA	5	4	3
Scottsdale/Phoenix, AZ	6	6	4
Lake Tahoe, Reno, CA	7	7	5
Las Vegas, NV	8	9	6
Hawaii	9	8	7
Monterey Peninsula, CA	10	10	8
Number of Common Markets Measured:	10	10	8

NM = not measured

Golfer Perceptions

Oregon Rocks! Myrtle Beach and “The Trail” Best for Quality/Value Paradigm

U.S. Destinations	2004	2002	2001
Myrtle Beach, SC	Yes	Yes	Yes
Robert Trent Jones Trail, AL	Yes	Yes	Yes
Oregon Coast, OR	Yes	*	NM
Bend/Sun River area, OR	Yes	**	Yes
Pinehurst & surrounding area, NC	**	**	Yes
Number of common markets measured:	36	36	28

* ranked top 15 for “Quality of Golf”

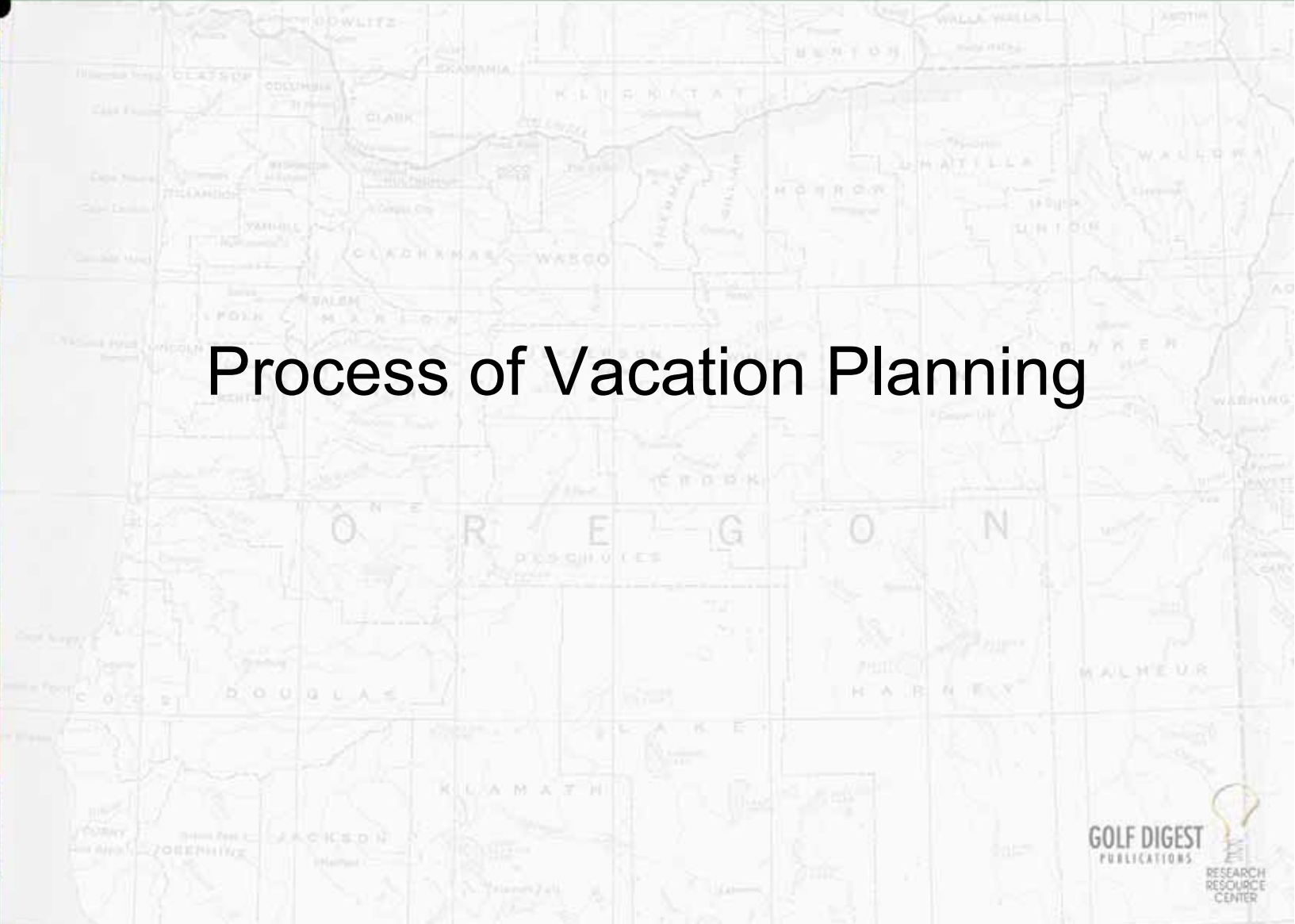
** ranked in top 15 “Value for the Money”

NM = not measured

Golfer Perceptions

The “Quintessential” Golf Vacation

- Based on the 58% of respondents who took a golf vacation in the past year, the average length of stay was 6 days. Only 18% stayed longer than one week.
- The average golf vacation party consisted of 8 people - two foursomes
- Golfers are more likely to include friends on their trips (68% of the time) as compared to other family members (48%)
- The average number of rounds played per person was 5 rounds, or, approximately one round per day, excluding travel



Process of Vacation Planning

Process of Vacation Planning

2005 Golf Travel & Destination Study

*“American’s have come to view vacations as a birthright.
They’re not willing to give them up!”*

Dr. Suzanne D. Cook - SVP
Travel Industry Association
USA Today

Process of Vacation Planning

Background & Objectives

- The Golf Digest Companies Research Resource Center sought insights on the Vacation Planning Process among affluents, focusing on Major Vacations, and not specific to golf vacations (buddy trips.)
- Men and women golfers, as well as non golfers, were studied allowing for comparison.
- Results provide greater understanding into how Vacation Planning is being approached in today's consumer marketplace, and the role of various influences

Process of Vacation Planning

Methodology - Three Distinct Research Phases

- **Quantitative**
 - 400 twelve-minute phone interviews conducted nationwide
- **Qualitative**
 - Individual interviews and focus groups in San Francisco and New York
 - household incomes greater than \$125K
 - Frequent vacationers
 - Mixture of frequent, infrequent and non golfers
- **All respondents, all phases**
 - Took pleasure vacation (exclusive of business trips or visits to relatives) within past 12 months
 - Minimum stay of 5 consecutive days
 - Personally spent at least \$1,000

Process of Vacation Planning

Key Findings

- Travel inspiration comes primarily from magazines, television, and word of mouth, and secondarily from newspapers and guidebooks.
- Whether consciously or not, travel planning takes on a distinctly linear and highly involved process that encompasses specific stages, each offering key opportunities for marketers to gain share of mind through a variety of media and communication channels.
- Magazines are a critical marketing vehicle, particularly in the initial stages of travel inspiration. They contribute significantly towards framing a traveler's consideration set.

Process of Vacation Planning

Key Findings

- “Value” supersedes price in vacation budgeting...
 - Marketers’ Magic formula: Provide a top notch experience that is perceived to be “a deal”
- The Internet is a primary source for executing travel arrangements; especially at bargain prices It’s a “transaction enabler” not necessarily a “brand builder.”
- Participants are looking for a wide range of activities when they travel. Golfers will endeavor to get one round in on most trips, but golfing is not a requirement for all of their vacations.

Process of Vacation Planning

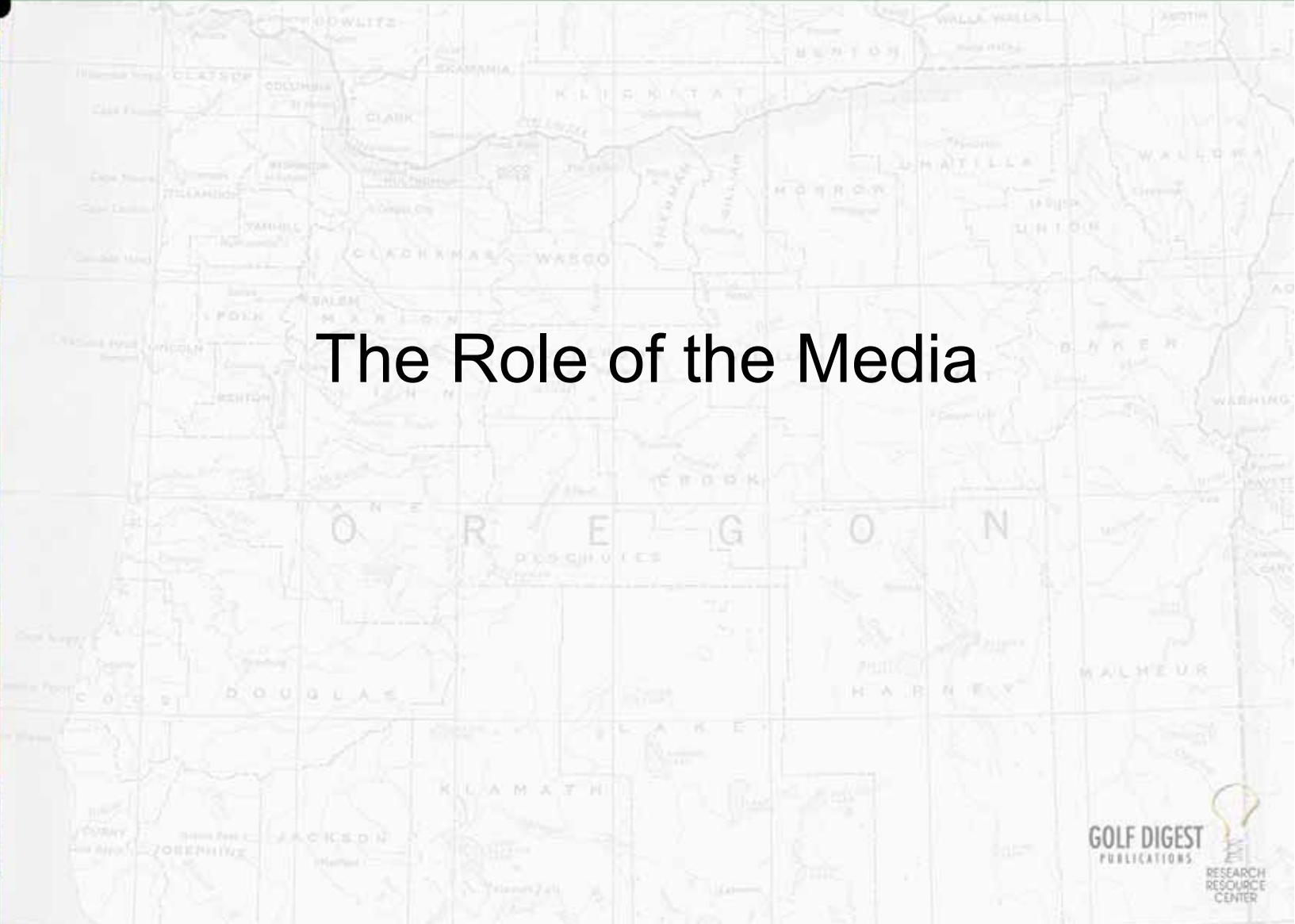
The Process of Planning a Vacation Hypothesis for Consideration

- **Step I - Location Inspiration & Destination Selection**
 - *“We look for special places and new ideas by doing research. See where we haven’t been. Read magazines, watch TV, talk to friends and read travel books.”*
- **Step II - Narrowing Down Choices**
 - *“Assess the amenities and levels of service we require, the weather and the time we have to travel. Talk to recent visitors, read reviews and rankings in magazines and on the Internet.”*

Process of Vacation Planning

The Process of Planning a Vacation Hypothesis for Consideration

- **Step III - Prices & Logistics**
 - *“Once I’ve decided where to go, I begin to look for deals on the Internet and make air flight reservations. I’ll search endlessly for accommodations and packages; make reservations for activities and so forth.”*
- **Step IV - Controlling The Situation, Beyond The Booking**
 - *“As we get closer to leaving, I’m always getting the inside scoop on new restaurants and things to do off the beaten path. I start developing an itinerary, reconfirm reservations and make sure everything is OK.”*



The Role of the Media

The Role of the Media

Major Media Influencers



Tier One
Magazines • Internet

Tier Two
Television • Newspapers

The Role of the Media

How Magazines Contribute

- *“Magazines are great at the beginning of the process; they give me ideas and direction if I don’t know where I am going.”*
- *“Magazines are good for ideas and locations; I look for rankings to see where the best places to go are.”*
- *“It would never have occurred to me to look for something like that (trip to Belize) and it was because I read an article in a magazine.”*

The Role of the Media

Comparing the Internet and Magazines

	– Rated Important –	
	Magazines	Internet
Captures my imagination	74%	51%
Gets me thinking about vacation	76%	54%
Keeps me abreast of trends	67%	52%
Helps me consider destinations to go to	62%	56%
Helps me determine accommodations	58%	69%
Helps me budget	56%	61%
Helps me make my arrangements	55%	70%
Helps me decide what activities to do	49%	51%

The Role of the Media

How Media Serves the Process

Step 1
Location & Inspiration

Magazines, Television, Newspapers and Books

Step 2
Narrowing Down Choices

Internal assessment, Internet, magazines and recent visitors

Step 3
Prices & Logistics

Internet, travel agents, newspapers, books

Step 4
Beyond the Process

Direct contact with facilities through phone or email, Special promotions in all media



The Role of the Media

Towards Better Understanding Magazines and the Internet

MAGAZINES



Macro
Personality
Ideas
Inspirations
Desires

INTERNET



Micro
Prices
Information
Itineraries
Discounts

The Role of the Media

Golfers Provide Unique Marketing Opportunities

Golfers Are Significantly More Likely Than Non-golfers To.....

- Revisit favorite places for vacations
- Respond to travel ads, clip and/or read travel articles in magazines
- Take separate vacations apart from their family
- Be interested in purchasing vacation real estate

The Role of the Media

Golfers Do Many Of The Same Things As Non-Golfers Except They Play Golf Too!

Dispelling The Myth That Avid Golfers Are “One Dimensional” On Vacation

	Golfers %	Non-Golfers %
Sightseeing	71	69
Fine dining	69	57
Shopped	66	66
Golf	63	8
Tennis	31	36
Water sports	29	32
Theatre, Concerts	27	26
Hiking	23	31
Casino gambling	20	14
Spa	16	20
Amusement parks	11	20
Horseback Riding	2	9



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