

Golf Travel Insights 2013



Introduction

Golf tourism, in its own right, has developed into a successful business, and there are numerous tour operators tailoring their offers to the specific needs of golfers all over the world. Whether as a primary motivation for a holiday or simply as a secondary activity, golf attracts millions of holidaymakers worldwide.

Golf tourists purchase many different goods and services while on their trip, supporting a wide range of businesses such as hotels, restaurants, retailers and, of course, golf facilities themselves through the purchase of green fees, golf equipment and cart rental. The global trade organisation for the golf tourism industry, IAGTO, estimates golfers' spend to be 120% more than that of other travellers'.

Golf tourism has further increased in 2012. According to IAGTO's 2013 Golf Tourism Report, recently published¹, global golf holiday sales grew by an average of 9.3% compared to the previous year, and their member operators² alone catered for 1.6 million golf travellers in 2012, with golf holiday sales exceeding an estimated EUR 1.5 billion. Most tour operators were also positive about the future, with the vast majority expecting further growth in the years to come.

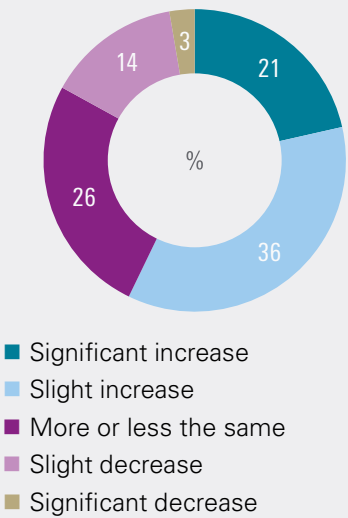
In order to provide a reflection of golf tourism trends in today's challenging economic environment, KPMG's Golf Advisory practice undertakes the Golf Travel Insights survey among international golf tour operators every year. We hope that you will find our latest survey results insightful. Please feel free to contact us with any comments or questions regarding this research at gbc@kpmg.hu.

¹ www.iagto.com/2013report

² IAGTO has 492 golf tour operator members in 62 countries, controlling more than 85% of global golf holiday package sales.

Golf bookings in 2012

How does demand for golf tourism in 2012 compare to 2011?



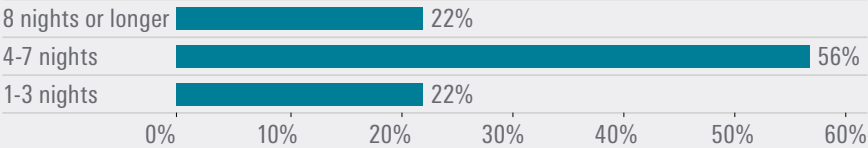
Source: KPMG Golf Travel Insights survey

The trend in golf bookings still looks positive, with 57% of the surveyed golf tour operators having experienced an increase in the number of golf trips³ in 2012. Less than a fifth of the respondents reported a decrease in bookings. These results were very similar to our findings for 2011, which suggests a continuous recovery in the business along with the overall economic revival from the financial crisis.

The typical length of golf trips remains 4-7 night trips, with an average share of 56% of all bookings. The rest is equally split between short trips of 1-3 nights and those longer than a week. This is in line with our findings in previous years, indicating little change in the average length of stay.

About 40% of all bookings were group bookings in 2012, typically by groups of 4-6 and 8-12.

Distribution of trips by the average length of stay

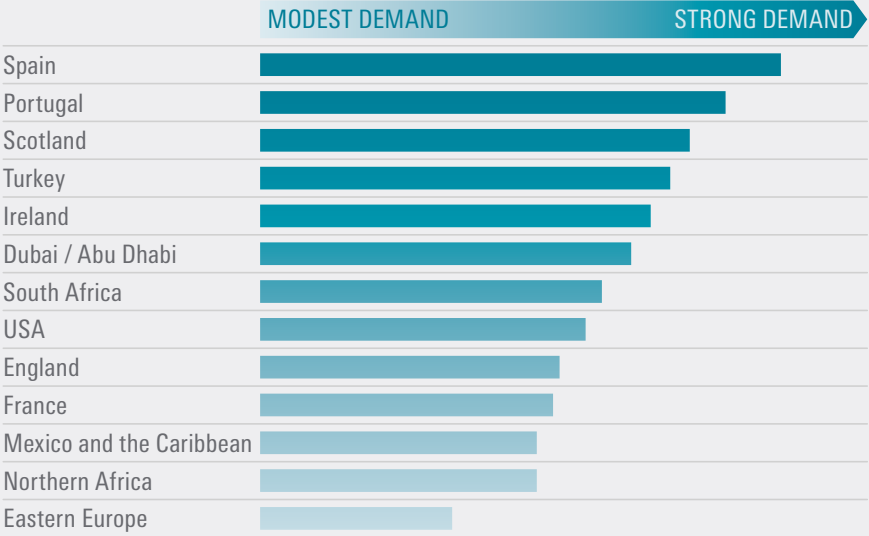


Source: KPMG Golf Travel Insights survey

Most popular destinations

The most popular destinations continue to be Spain and Portugal, followed by Scotland, and, interestingly, Turkey, which has pushed closer to the top of the list, showing an impressive development in recent years. Other increasingly popular destinations include Thailand and Vietnam in Asia, while Italy and Bulgaria are emerging golf tourism hot spots in Europe.

Hot spots for golf tourism in the upcoming years



Source: KPMG Golf Travel Insights survey



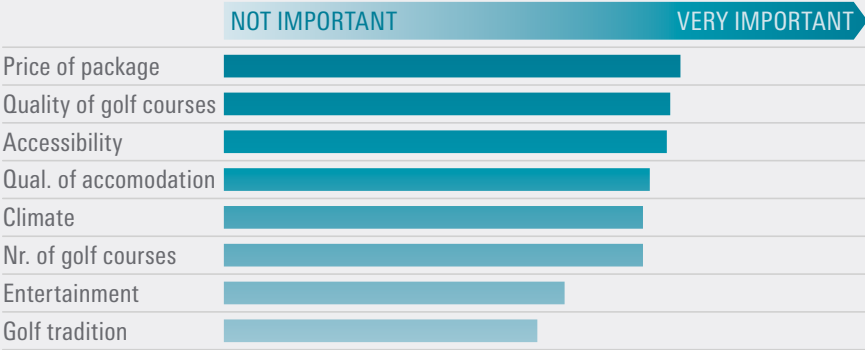
Golf tourists and their expectations

The biggest golf travelers are still the Brits, the Americans and the Canadians, although often choosing domestic trips. Scandinavians (mainly Swedish), Germans and Austrians are also near the top of the list, with a strong interest to travel abroad for golf.

Golf tourists have become more price sensitive in recent years, and the cost of a trip has become the key decision making factor when choosing a golf trip, according to our survey. Nevertheless, golfers still care about the quality of courses and related accommodation facilities, and require more value for money. Accessibility also remains a key factor, with the availability of direct flights to golf destinations playing an important role.

With the revolution of social media, word of mouth has gained further importance in recent years. Golf tourists are strongly influenced by referrals on Facebook, Twitter, Tripadvisor and various other golf and travel blogs.

Key factors when choosing a golf destination



Source: KPMG Golf Travel Insights survey

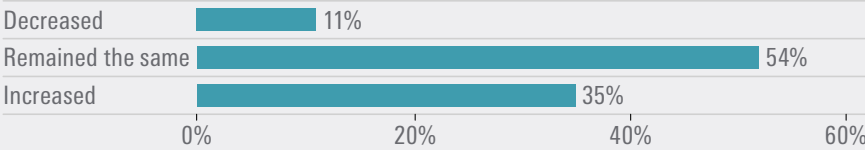


Pricing

Based on our survey, a weekend’s golf trip, including accommodation and green fee but excluding flight, can be accessed for less than EUR 300, but usually costs between EUR 300 and 600, depending on the destination. Four to seven night trips are also available from EUR 300 and up, but typically cost EUR 600-900. Those who travel for longer than a week should budget around EUR 1,000-1,500, with some luxury golf trips costing as much as EUR 5,000.

Similarly to last year, package prices have remained stable according to more than half of the respondents, while 35% of golf tour operators have recorded an increase. Prices have typically gone up in Thailand, Vietnam and Turkey. In other destinations there was less consistency – some suppliers have increased while others have decreased prices.

Average package price



Source: KPMG Golf Travel Insights survey

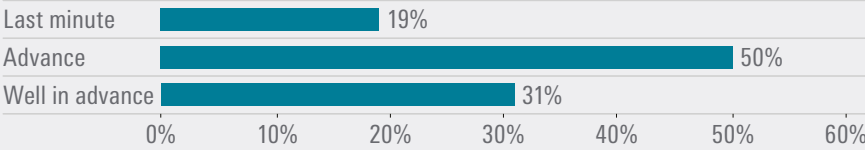
Booking methods

According to travel agents who participated in our survey, most bookings are made over the phone or by e-mail/Internet, with golfers seeking personal contact with agents in order to receive information and advice.

While many of the operators didn’t find internet a viable option for golf trip bookings only a year ago, the main trend mentioned in this year’s survey was the emergence of improved online booking systems, as well as various smartphone and lpad/tablet applications. With changing customer needs, this direction is expected to gain importance in coming years.

With regards to the timing of bookings, about half of the trips are booked 1-6 months prior to the travel date, while 31% are booked more than six months in advance (typically group bookings). About one-fifth of the bookings are made within one month of the travel date.

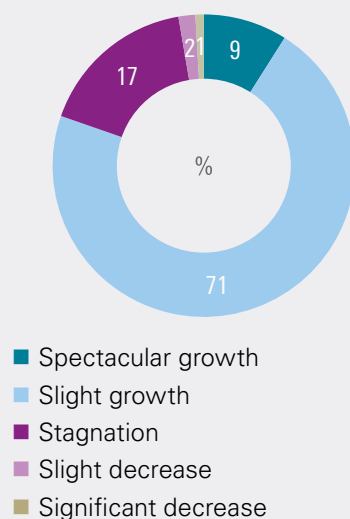
Distribution of bookings by time of booking



Source: KPMG Golf Travel Insights survey

Future outlook

Future expectations of tour operators regarding golf tourism growth



Our surveyed tour operators were more optimistic about the future than in 2012. Eighty percent expect growth in the years to come, and only 3% foresee a downturn (compared to 9% a year ago). Less than a fifth expect stagnation.

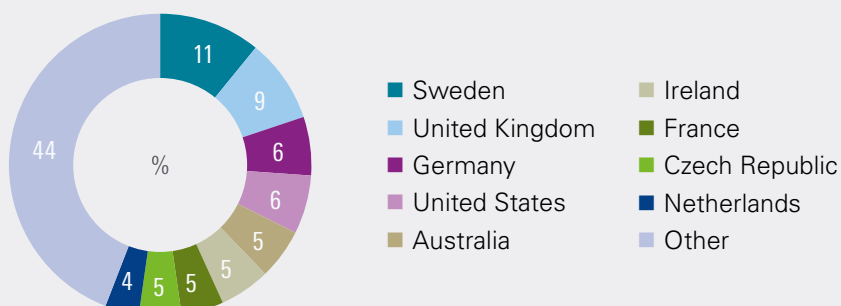
Destinations with a strong product mix, competitive price and appropriate promotion strategy could especially prosper in the coming years.

Appendix – Survey profile

This report is based on a global survey of golf tour operators, performed by KPMG's Golf Advisory practice in early 2013, reflecting the year 2012.

Over 110 golf tour operators from 38 countries have participated in the survey. Sixty percent of the responses were received from European golf tour operators, 13% from Asia and 15% from those located in the Americas, with the remainder being Africa-based or from Australia and New Zealand.

Participating tour operators by country



KPMG's Golf Advisory Practice in Europe, Middle East and Africa

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