

Happy Trails

THEY'RE NOT FOR EVERYONE, BUT WELL-CONCEIVED, COOPERATIVE GOLF TRAILS CAN CREATE A PATHWAY TO SIGNIFICANT RETURNS



Venues like Hunter Ranch Golf Course form the backbone of the Central Coast Golf Trail in California.

TALK ABOUT JUMPING ON THE BANDWAGON.

In 1992, there was exactly one golf trail of significance in the United States: Alabama's now legendary experiment-turned-tourism explosion bearing the name of Robert Trent Jones. Today, golf trails exist in half of the nation's 50 states, and many have more than one. Despite the proclivity of wag-

ons to trails, this trend has nothing to do with time-worn methods of transportation.

What it does have to do with, of course, is money. Alabama's original, \$180 million investment in a chain of 12 courses helped grow the state's tourism revenue from a paltry \$1.8 billion to a respectable \$6.8 billion by 2004. The golf world took notice and now there are all sorts of entities, in addition to states, engaged in the linking of links: groups of independent golf course owners, convention and visitors bureaus, golf course management companies, even golf course architects. In some instances, there are trails within trails as in the case of Tennessee, where a state park network of golf courses now includes The Bear Trace, a five-course series by Jack Nicklaus that formerly stood entirely on its own.

All of this begs the question: Are Alabama's offspring making any money? The answer pretty much mirrors the results of golf course operations in general. The better ones are making it, the poor ones are losing it, and the rest fall somewhere in between.

It's important to note that, despite being the inspiration for so many golf trails, Alabama's successful setup has

rarely been the model. Whereas the state of Alabama carefully planned the location of courses and built the facilities that comprise its trail, most trails nowadays are more or less convenient groupings of existing courses organized first by private or municipal interests, then later backed by state tourism departments. That's the goal, anyway.

Some are achieving it. The Northwoods Golf Trail, an eight-course consortium of privately and municipally owned public layouts in northern Wisconsin, was recently awarded a \$34,000 state tourism grant to promote the region. Combined with the group's \$18,000 marketing budget contributed by all members (\$1,200 from 18-hole courses, \$1,000 from hotels, and \$600 from nine-hole courses and CVBs) and used to create a color brochure, the trail is now able to do impactful television advertising in the Milwaukee, Green Bay and Madison markets.

Operators in New Mexico have also been successful in lobbying for state funds. Their newly formed New Mexico Golf Tourism Alliance was given \$20,000 to be used for co-op marketing (the organization must match the amount) to promote the state as a destination to out-of-state golfers. The NMGTA is actually an offshoot of Golf On the Santa Fe Trail, which, though already highly successful without state support, had trouble securing the funds because it doesn't have the proper non-profit status and its member courses are concentrated in the state's Albuquerque/Santa Fe corridor.

Truthfully, the NMGTA could only hope to mirror the trail's performance. In 2006, Golf On the Santa Fe Trail returned approximately \$260,000 to its eight member golf courses (and \$160,000 to its hotels) on individual marketing contributions of \$10,000, for a profit of about \$22,500 each. This year's numbers are projected to increase by as much as 20 percent.

In terms of rounds and revenue, however, gauging ROI has proven decidedly more difficult. "I know they're (member trail courses) getting marketing support, but to say that equates into rounds because people heard of the trail, I honestly can't answer that," admits Scott Kelley, manager of the five-year-old, 11-course Magnolia Golf Trail in Mississippi. "We have to start capturing that information. But

as of right now, they'd probably say, 'Not much.'"

Chip Bromann, owner of Pinewood Country Club in Harshaw, Wisconsin, and manager of Northwoods Golf Trail, has also struggled to quantify direct business from the trail, but—anecdotally, at least—believes the effort is working. "It's just a gut thing," he says. "Our members are the people working in the pro shops with direct interaction with the customers and they just feel that it's working. It's at least not doing any harm."

Despite the different degrees to which the seemingly successful trails are executing their plans, they have some very important things in common, not the least of which is a philosophy that their members—at least for the purposes of promoting themselves to tourists—are partners, not competitors.

"When I started Golf On the Santa Fe Trail, it was mainly to see if we could bolster out-of-state rounds," says George Trujeque, the trail's president and director of golf at the University of New

Mexico Championship Golf Course. "I knew my marketing and advertising dollars wouldn't go very far on their own, so we created this alliance."

Bromann concurs. "The whole premise and goal is to just get people up here," he says. "Traveling golfers don't want to play the same course every day on vacation. So, I know if they play my course one day, tomorrow they're playing another one, and the next day it's another. We're all trying to share with each other."

Indeed, cooperation forms the foundation of the trail concept. However, there are a number of other important aspects that thriving trails share. They include:

- **A real marketing angle.** Keep in mind that this doesn't translate to deeply discounted rates. In New York, a trail concept is having a tough time getting off the ground because it's based on participating golf courses offering two-for-one deals. "The members I've talked to are not happy about it," says Dick Rocchio, New York regional director of the NGCOA, whose feedback mirrors that of golf courses from coast to coast. "They don't like giving golf away because they feel it cheapens their product."

Successful trails, on the other hand, focus on creating a brand by leveraging the uniqueness of their product. These differentiators can range from course quality

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temperate climate to the facility’s storied history, not to mention geographic location and convenience to major highways.

▪ **Lodging and packaging.** If the idea is to keep golfers around long enough for them to play multiple courses, they must have somewhere to stay. The ability to package golf and lodging is even better, and providing a vehicle for people to do it with one Web site visit or phone call to a knowledgeable person is the Holy Grail.

“It’s the idea of one-stop shopping,” Kelley says. “We hired a Mississippian, not a generic call center. He can tell you the best places to eat and what to do at night, too.”

▪ **Consensus.** “The biggest thing is to have a good working relationship and dialogue with the other owners and to make sure you have the same objectives,” Bromann says. “Every golf course owner is an entrepreneur who thinks they have the answer. Once you get everyone on the same page, there’s no infighting or bickering about where and how resources are used.”

▪ **Leadership.** Whether it’s a golf course owner, an outside marketing firm, a representative from a convention and visitors bureau or a part-time employee, one person or entity needs to bear responsibility for the trail’s day-to-day operations. If no one performs this most basic of functions, nothing gets accomplished.

▪ **Realistic goals.** One of golden rules of business is to walk before you run, and Bromann says that definitely applies with trails. “First, establish that you can get together regularly as a group and that you can create some sort of communication device to get your message out, whether it’s a brochure or a Web site. That would be a terrific start. And that’s 90 percent of it right there.”

▪ **Proper structure.** If your ultimate goal is to obtain state funding, find out the types of corporations your state is willing to support and structure yours accordingly. And, don’t forget to leave a spot on your board of directors for a state representative.

▪ **A written marketing plan.** Even if you’re not seeking state funding (which you will not get without a written plan and a method to track its effectiveness), it’s important to know what’s working and what isn’t.

▪ **Legal advice.** Work with an attorney who can advise you about establishing your consortium (usually a non-profit corporation) and help to avoid potential antitrust violations, such as certain discussions about pricing.

▪ **Commitment.** “It takes time to build a brand and get the word out about a trail,” says Ken Campbell, manager of the California Central Coast Golf Trail, now in its third year. “Have long-term expectations and be willing to commit to multiple years at a time.”

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TRAILBLAZIN’

IF YOU THINK THE TRAIL CRAZE IS PURELY A WESTERN PHENOMENON, THINK AGAIN: the concept has crossed several continents and taken hold in, of all places, Vietnam. In early July, Mandarin Media launched The Ho Chi Minh Golf Trail, southeast Asia’s first coherent, comprehensive golfing itinerary.

The Ho Chi Minh Golf Trail travels in a North-South fashion like its namesake trail, but rather than being used to deliver materials for war, the trail strings together a collection of courses that have received praise from several national golf publications. The Ho Chi Minh Golf Trail partners seven golf clubs with accommodations ranging from a posh, five-star hotel in Saigon to The Emeraude, a replica of a paddle-wheel steamer.

Promoters point out that Europeans, Australians, Singaporeans and Hong Kongers “have long flocked to Vietnam for the country’s tropical climes, its thousand-mile coastline and supreme affordability.” That said, they may have a more difficult time selling the concept to American travelers, many of whom may still view Vietnam as a country overshadowed by Communism. Then, there’s the trail’s name—Ho Chi Minh—which could, perhaps, conjure images of an unpopular war.

“We honestly don’t feel like we’re leading some crusade,” says Hal Phillips, a principal in Mandarin Media. “What’s clear to us is that many Americans are curious about this country and its people because of our shared history. Hundreds of Vietnam veterans travel back to Vietnam each year to revisit the place for themselves, on their own terms. For everyone else, it’s the chance to do likewise, while experiencing for themselves a culture too long obscured by war, war politics and 30 years of economic and cultural embargo.”

As such, The Ho Chi Minh Golf Trail is marketing the country’s cultural offerings as much as its courses. Phan Thiet, for example, is 20 kilometers from the red sands of Muí Ne, while the former French resort town of Dalat (site of Dalat Palace Golf Club) is home to some of finest French colonial architecture in Indochina. The Trail also passes directly through Vietnam’s two hubs and cultural centers, Hanoi and Ho Chi Minh City.