The Price is Right. Or is it?

Del Ratcliffe, President, Ratcliffe Golf Services
Aaron Gleason, Principal/Corporate VP, Walters Golf Management
Jeffrey Smith, Chairman & CEO, Walters Golf Management
Jim Woodring, Executive VP, National Golf Management
Control the pricing on our tee sheets to achieve the maximum revenue potential for the facility.
ALL Tee Times are 100% Perishable
NO “One Size Fits All”
Your strategy needs to be adaptable...
Mostly fixed; although may vary by season, day of the week or time of day.
The Right Tee
Time
The Right Person
The Right Price
Lowering of price as the expiration or “deadline” approaches
World English Dictionary

dynamic pricing

— n
commerce offering goods at a price that changes according to the level of demand, the type of customer, or the state of the weather
Develop a Strategy

• “Being Cheaper” than the guy down the street is NOT a sustainable strategy
• Maximize your price based on the individual golfer’s value perception
The Golf Value Equation

VALUE = Experience

VALUE = Cost

VALUE = What I GET

VALUE = What I PAY

- OR -
Dynamic Pricing Strategy

• We reward the type of behavior that we want to see from our guests: Therefore, loyal guests that pay in advance for specific tee times get the lowest prices.

• As the tee time approaches, the prices go up.

• As our utilization increases, the prices go up.

• ANYONE that sells a tee time for us is our friend – as long as they sell it on our terms.
We monitor our pricing CONSTANTLY

We tweak our pricing based on variables such as local events, weather, and course conditioning.
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Dynamic Pricing

The Future of Tee Time Pricing... Today!
Variable Pricing vs. Dynamic Pricing

Most clubs work on tiered or variable pricing not dynamic pricing like they do in other industries.

It’s $60 until say 1:00 pm.

Then it’s a twilight of $45.

Then, some offer a late twilight of $25.

This leaves a massive amount of revenue on the table!
What is Your #1 Revenue Source
What is Your #1 Revenue Source

- If you are at a daily fee club it is most certainly greens fees and cart fees
- How much time do you spend on your number one revenue source?
- Doesn’t your number one revenue source deserve the majority of your time?
- We believe it does!
Dynamic Pricing Philosophy

- Selling “The Right Tee Time to the Right Person at the Right Price”
- Dynamic Pricing based upon supply & demand
- Use of multiple, factual data sources to develop pricing structure each and every day... No, not every day… Every hour!
- Theoretically every golfer on the tee sheet has the potential to be offered a different rate based on supply and demand.
- Tailor your pricing to both Price Sensitive and Time Sensitive consumers
- Total Revenue is more important than AVG Rate
There are two types of Golfers

- Price Sensitive Golfers… We all know this guy
There are two types of Golfers

• But there are also…

• Time Sensitive Golfers
  • Which one are you?

• Are you appealing to both types?
Benefits of Proper Dynamic Pricing

- Being able to capitalize on high demand day parts
  - Do you discount?
  - Why don’t you charge more when you can?

- The perception of discounting is gone
  - Think Stub Hub or Southwest or your favorite sports team

- Free up high demand times by incentivizing price sensitive golfers to lower demand times
  - Pick up both revenue sources
What do we look at to gain optimum revenue for your club

- Time left to Expiration
- Day of week
- Time of Day
- Average time of booking in each day part
- Location of Course
- Day Part Utilization
- 24 hour forecast
- 3 day forecast
- 5 day forecast
- 10 day forecast
- Sporting Events
- Other Events that effect demand (local conventions, festivals, concerts, boat shows, circuses, parades)
- Traffic (highways closures)
- Historical Data
- REVPATT analysis
- Pricing of Competition
- Analysis of Distribution Channel
- School closures (spring break, summer break, early days, session breaks)
- Conversion Analysis*
- And of course some secret stuff I’m not going to share
Conversion Analysis

- What is conversion?
  - Page Views vs. Bookings
- Why is this important?
- How do we compare to the market?
## REVPATT vs. Avg. Rate

<table>
<thead>
<tr>
<th></th>
<th>After Dynamic Pricing</th>
<th>Before Dynamic Pricing</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue 8:00 AM - 2:00 PM</td>
<td>$6,973</td>
<td>$5,205</td>
<td>$1,768</td>
</tr>
<tr>
<td>Total Number of Players</td>
<td>136</td>
<td>91</td>
<td>45</td>
</tr>
<tr>
<td>Available Players</td>
<td>208</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$51.27</td>
<td>$57.20</td>
<td>($5.93)</td>
</tr>
<tr>
<td>REVPATT</td>
<td>$33.52</td>
<td>$25.02</td>
<td>$8.50</td>
</tr>
</tbody>
</table>
There are other benefits too. Like a 400% increase in online bookings

- Less Phone Calls
  - Better customer service
  - More time with the customers in your golf shop
  - More time for your manager to sell golf outings

- Data Collection
  - Every reservation made collects the golfer’s “all important” data
    - Remember “The Biggest Database always wins”!

- Better Control Over Pricing
  - Can move rates in real time, 24/7

- Lower No-Show Rates
  - Online no-show rates are less than 3%

- Tee Times Available for Sale 24 hours a day
And…

- More traffic to your website
  - Increased outing page views
  - Increased banquet and wedding page views
  - Increased lesson page views
- Lower expenses
  - Less people needed to answer the phones
- Better analytics
  - Booking windows (how many days out are people booking)
  - Broken down by day part
  - What zip codes are your customers coming from
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Pricing
Pricing Analytics

• Historical Rounds Data
• Current Utilization
• Average Price per Round by Player Type
Business By Player Type
Player Type by Rounds

![Chart displaying player type by rounds with various metrics and data ranges]
Player Type by Revenue

![Chart showing revenue by player type]

- **Package**: $7,443,200
- **Walk-in**: $5,582,400
- **Member**: $3,721,600
- **Comp**: $1,860,800
- **Replay**: $0

Revenue categories:
- **Custom Range**: 3/1/13 - 5/31/13
- **Players**: 255,288
- **Guests**: 404,044
- **$10,000.00 - $999.99**: 15,374
- **$1,000,000.00 - $999,999.99**: 6,488.34
- **Total Revenue**: $10,000,454.79

Click to select comparison date range...
Dynamic Pricing

• Rate Periods
• Pricing for Day of the Week
  – Seasonality-Spring, Summer, Winter
• Pricing by Time of Day
  – Early AM, Prime Time, PM & Late PM
  – Tee Sheet Start Times
Rate Codes
Dynamic Pricing Keys

- Utilization
- Distribution
Travel Package Business
Package Golfers-Portal Sites

MYRTLE BEACH GOLF
at MBN.COM

WELCOME TO THE TEAM, NATALIE!
LPGA Tour star Natalie Gulbis has been announced as our 2014 spokesperson. Read all about it - including your chance to win a trip to Myrtle Beach to golf with her!

Welcome to the Team, Natalie!

NEW - 35% OFF Spring Tee Times
Get Tomorrow's Best Deals TODAY
Why Wait? 3 Winter Rounds From $93

Learn More
View All Deals
Compare Our Best Spring Packages

STAY & PLAY NATALIE'S WAY!
See why LPGA TOUR Star, Natalie Gulbis, has made Pawleys Plantation

3-ROUND SPECIAL
Play Wild Wing Avocet and two other Prime Times Signature Courses, any time of day for the cost of one!
Package Price Comparison

Compare Our Best Spring Multi-Round Packages

Whether your spring golf vacation preferences are driven by course location, design or price, Myrtle Beach Golf at MBG.com has all the options you'll ever need to make your experience spectacular!

Just click on a package name below to learn more about each of our fantastic fall specials, or call us at 800-882-3420 to speak to one of our friendly, expert local golf directors.
The Most "Rewarding" Golf Package You'll Ever Experience
Get a $100 Rewards Card for Each Golfer!

Book 4 or more spring rounds on the Prime Times Rewards Package, and each member of your group receives a $100 rewards card, redeemable at any Prime Times Signature
Member Loyalty
Loyalty Programs

One Card, Preferred Access to 22 of Myrtle Beach's Most Requested Courses

Start saving up to 70% on each round of play by joining the Myrtle Beach area's exclusive golf membership – the Prime Times Signature Card program. This annual membership gives you access to 22 of Myrtle Beach's most requested signature courses at discounted rates each time you play, all...
Country Club Benefits without Limitations

Introducing the Prime Times Honors Club!