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Impacts of the COVID-19 pandemic on German golf – a comparison between club-owned and commercial golf clubs

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Abstract

The COVID-19 pandemic turned the international sports world upside down almost overnight. Both professional and popular sports are suffering from the pandemic in equal measure. Sports clubs, which have to bear high fixed costs, are particularly affected. This also includes golf clubs. A primary empirical survey of German golf clubs shows that although the short term – during the lockdown – economic consequences were severe, especially for commercial golf clubs, the 2020 season can be considered successful. This could be an increased interest in exercise in nature and higher health awareness among the population. It is now crucial that golf clubs and associations focus even more intensely on nature (experiences) and health and develop them strategically.

Keywords: corona, health, nature, digitization, management

Introduction

The COVID-19 pandemic turned the international sports world upside down almost overnight. In March 2020, national and international top and popular sport came to a standstill worldwide within a few days, as mass events in particular - such as concerts, religious gatherings or sporting events - contributed to the spread of COVID-19 (Memish et al., 2019). To date, the pandemic has had a noticeable impact on different levels of sport (Parnell, Widdop, Bond, & Wilson, 2020). The result was that many professional sporting events worldwide have either been cancelled or postponed to prevent virus transmission through reduced close contact between spectators or athletes (Clarkson, Culvin, Pope, & Parry, 2020; Toresdahl & Asif, 2020).

In addition, due to the COVID-19 pandemic, amateur sports clubs have also had to close their sports facilities immediately, in many cases in the middle of the season, to comply with physical distance and shelter restrictions (Doherty, Millar, & Misener, 2020). In Germany, as in other countries or regions of the world, due to the risk of infection, the sports world stood still for several weeks from March 13, 2020, in order to protect society and reduce the infection rate (Ebrahim et al., 2020; Pandey et al., 2014). However, the lockdown had dramatic (economic) consequences. In just Bavaria, a state in southern Germany, the COVID-19-related deficit of sports clubs is over 200 million euros (BLSV, 2020). Sports clubs, which have to bear high fixed costs, are particularly affected. This also includes golf courses, for example.

Golf courses are among the most expensive mass sports facilities with high fixed costs for maintenance, so continuous income streams are central to the operation of a golf course (Huth & Kurscheidt, 2019). The maintenance of a golf course (golf course maintenance, building maintenance) usually accounts for more than 50% of the total costs (Billion, 2020a). Before the COVID-19 pandemic, around 50% of commercially operated golf clubs recorded losses (ibid., 2020a). According to initial estimates by Billion (2020b), the officially ordered lockdown has resulted in economic damage averaging around € 1,000 per day for German golf clubs. While the lockdown had almost no impact on membership fees in the short term, the golf clubs, on the other hand, had to make higher organizational and financial expenses in acquiring new members and creating central information about COVID-19 (Huth & Billion, 2020). The sale of vouchers should generate at least (low) current income from the operative business (ibid., 2020).

Despite the negative (economic) effects of COVID-19 on sport, initial trends show that sport can also benefit at least in the medium to long term (Weed, 2020). Many people increasingly desire to be "outside" and to be active there beyond their everyday movements. Second, Weed (2020) adds that there is also a growing understanding of the importance of exercising for human well-being on the political side.

Golf as a sport that is played in the open air could benefit from the trends outlined. Golf is contactless, and a maximum of four people can play together at one golf hole. On an 18-hole golf course, which often exceeds a total length of 6 km and measures the size of 65 to 100 soccer fields, a maximum of 72 people can play at the same time when fully occupied. This shows that a sport like golf is ideal when the rules of distance are to be followed. It should be noted that the effects of sport on well-being are more significant in natural green spaces than in urban areas (Barton et al., 2016; Weed, 2020). However, the general public often criticises outdoor sports for abusing nature for their purposes (Briassoulis, 2010). However, several organisations have now launched initiatives to make golf more environmentally friendly (Rosenberg, 2018). Environmental certificates have helped golf to improve its image (Huth, 2017). Following Weed's (2020) argument, it should also be noted that proponents of health-related initiatives in golf point to the many benefits that golf can produce for health and well-being (Huth & Breitbarth, 2020). In this context, Sorbie et al. (2020) found that golfers perform significantly better than non-golfers in terms of social trust and personal well-being.

The study aims to evaluate how, from the perspective of German golf clubs, the 2020 golf season went from an economic point of view - in the short and medium-term - and what prognosis they have for 2021. In particular, it should also be analyzed (a) to what extent members could be generated and (b) how many rounds of golf were played compared to the previous season. The extent to which initiatives such as the DGV programs "Golf and Nature" and "Golf and Health" and the trend towards digitization bring economic added value will also be investigated. There is always a comparison between commercial and club-owned golf courses. Dickson and Koenigfeld (2018) show that golf clubs pursue different (economic) goals depending on their legal form.

Before showing the results, the method is briefly described. The article finally closes with a discussion and an outlook.

Method

The study follows a direct, primary empirical research design that focuses on German golf clubs. For reasons of time and costs (Li, Pitts, & Quarterman, 2008) – but also reasons of the current circumstances of the pandemic – a standardized online questionnaire was designed for the study. The questionnaire was placed online via the Qualtrics survey tool. Responsible persons (managers, board members) of German golf clubs were questioned. The German golf market comprises a total of 722 golf clubs (Billion, 2020c). All golf clubs in Germany for which the author obtained a functioning electronic address were contacted by e-mail with a request to forward the message either to the manager or to a responsible person. At the club level, only golf clubs with a golf course with at least nine holes were contacted. This criterion excluded golf facilities with, for example, only exercise facilities, such as a driving range or a short course. Approximately two weeks after the first e-mail, the clubs were sent a reminder about the survey.

At the beginning of the questionnaire, the golf courses were asked questions about the 2020 season. The focus here was, in particular, on the period from April to September. The golf clubs should answer how many completely new members [MEMBER_NEW] and returners [MEMBER_RET] had played golf before they had to record. In this context, the golf clubs should also indicate which type of membership – e.g. full membership or weekday memberships – have primarily been concluded.

In the next step, the golf clubs should indicate how many rounds of golf were played by members and guest players from April to September in 2019 and 2020. This should then be assessed to what extent the COVID-19 pandemic has economically affected the golf clubs in the short term [COVID_LOCKDOWN] – during the lockdown – and in the medium term [COVID_2020] – 2020 season. It should also be assessed to what extent the pandemic will continue to impact golf clubs in 2021 [COVID_2021]. Finally, following the trends outlined by Weed (2020), it should be indicated to what extent the DGV programs "Golf and Nature" [GOLF&NATURE] and "Golf and Health" [GOLF&HEALTH] as well as the topic of digitization [DIGITAL], which is caused by the pandemic has received a real boost in importance in general (Brenner & Fahse, 2020), are essential building blocks for the profitability of golf clubs.

At the end of the questionnaire, various data such as the location of the facility [LOCATION], the number of holes [HOLES], the legal form [LEGAL], the age [AGE], the number of members [MEMBERS] and the percentage of full paying payers [FULL_PAYER], asked about the golf clubs themselves. The following table summarizes the variables with their description and scale level.

Table 1: Overview variables

Regarding the evaluation of the selected items, the participating golf clubs mostly answered questions on a 5-point Likert scale (e.g., from 1 = do not agree to 5 = agree). Such scales have been widely used because they best reflect the preferences of participants (Dawes, 2008; Li et al., 2008; Revilla et al., 2014).

When analyzing data, both descriptive data and bivariate results are presented. The legal form of golf clubs is considered due to the different goals of commercial golf clubs and club-owned golf courses. It is hypothesized that the economic impact should be more significant for commercial golf clubs than for member-owned clubs, as the former have for-profit intentions (Dickson & Koenigsfeld, 2018). In addition to the general descriptive results, the comparison of mean values and the mean values of the two groups are listed in each table.

Participants from 90 golf clubs completed the questionnaire in full. Of the participating golf clubs, almost 55% have the legal form "e.V." (registered association), and

60% are located in rural areas. On average, the participating facilities have around 887 members. In addition, almost 62% of club members are full paying members. 75% of the golf clubs have an 18-hole golf course, and 80% are over 20 years old. Overall, the sample reflects the current situation in German golf very precisely (Billion, 2020c).

Results

The following table summarizes the main results of the study.

Table 2: Descriptive and bivariate results

Overall, the officially ordered lockdown in spring 2020 tended to hit the golf clubs hard. At the same time, the COVID-19 pandemic hit the clubs far less economically in the 2020 season than initially feared. This is also underlined by the number of rounds played. Despite the lockdown lasting several weeks, more rounds were completed during the season than in the previous year – this applies to both members and guest players. Several new members could also be welcomed to German golf courses. Commercial clubs, in particular, were successful here. Full memberships were the most common form of membership. There have also been returners, but on average fewer than new members. The facilities are critical of the 2021 season when they fear that the pandemic will continue to impact golf. Finally, it can be seen that the two DGV programs, “Golf and Nature” and “Golf and Health”, contribute little to economic success from the perspective of German golf clubs. The advancing digitization is seen as much more important

Discussion and conclusion

Overall, golf has benefited from the developments towards nature-loving sports outlined by Weed (2020). Even if the forced break during the lockdown led to the worst fears about the future, the 2020 season could be viewed as successful. On the one hand, this enabled new members to be won, who in most cases even concluded full memberships, which are particularly valuable from the golf course's point of view. On the other hand, the golf clubs were more prevalent than in the previous year. So, there was an urge to exercise and do sports in nature.

In this context, it is fascinating that the two programs launched by the German Golf Association, "Golf and Nature" and "Golf and Health", do not create any real economic added value from the perspective of golf clubs. However, there is currently a strong focus on the topic of health in international golf (R&A, 2020). It is essential to work even more intensively on the issues at both the association and club level because both nature (experiences) and health are currently solid social trends that can help golf – with strategically good management. However, Huth and Breitbart (2020) emphasize that non-golfers, mainly, do not associate golf with these topics, so that (persuasive) work still needs to be done here.

Future studies should therefore analyze how golf could better and better occupy the subjects of nature and health. Since the topic of digitization received a comparatively high rating compared to the two DGV programs, it should also be determined in this area what a digitization strategy for golf clubs should look like in concrete terms.

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TABLES

Table 1:

Variable	Description	Scale level
<i>Economic impact of the COVID-19 pandemic</i>		
COVID_LOCKDOWN	Short-term effects from lockdown (5-point Likert-scale)	ordinal
COVID_2020	Medium term effects season 2020 (5-point Likert-scale)	ordinal
COVID_2021	Future effects season 2021 (5-point Likert scale)	ordinal
<i>New members and returners</i>		
MEMBER_NEW	Number of new members (0 to 10; 11 to 20; 21 to 30; 31 to 40; 41 to 50, more than 50)	ordinal
MEMBER_RET	Number of returners (0 to 10; 11 to 20; 21 to 30; 31 to 40; 41 to 50, more than 50)	ordinal
<i>Number of played rounds</i>		
MROUNDS_19	Number of played member-rounds (season 2019)	metric
GROUND_19	Number of played guest-rounds (season 2019)	metric
MROUNDS_20	Number of played member-rounds (season 2020)	metric
GROUND_20	Number of played guest-rounds (season 2020)	metric
<i>Fields for profitability of golf courses</i>		
GOLF&NATURE	DGV-program "Golf and Nature" (5-point Likert-scale)	ordinal
GOLF&HEALTH	DGV-program "Golf and Health" (5-point Likert-scale)	ordinal
DIGITAL	Digital offers of golf courses (5-point Likert-scale)	ordinal
<i>Information on the golf courses</i>		
LOCATION	Location of the golf course Anlage (1 = rural; 0 = city)	nominal
LEGAL	Legal form of the golf course (1 = non commercial; 0 = commercial)	nominal
AGE	Age of golf club (younger than 10; 11 to 20; 21 to 30; more than 30)	ordinal
HOLES	Number of golf holes (9 holes; 18 holes; 27 holes; more than 27 holes)	ordinal
MEMBERS	Number of members	metric
FULL_PAYER	Proportion of full paying members	metric

Table 2:

	Mean value	Standard deviation	Two-sample Wilcoxon rank-sum	Mean value non-commercial	Mean value commercial
COVID_LOCKDOWN	3.53	0.97	0.6268	3.49	3.63
COVID_2020	2.39	0.91	0.7047	2.43	2.36
COVID_2021	3.67	1.17	0.4059	3.78	3.50
MEMBER_NEW	3.92	1.74	0.0977	3.63	4.16
MEMBER_RET	1.97	1.39	0.2740	1.85	2.15
MROUNDS_19	11,480.69	5,182.64	0.4003	10,867.79	12,113.87
GROUND_19	4,149.17	3,376.96	0.9113	3,934.07	4,323.13
MROUNDS_20	12,415.02	5,102.30	0.6892	12,101.12	12,760.59
GROUND_20	4,495.59	3,348.31	0.3529	4.829.7	4,095.12

GOLF&NATURE	2.49	1.28	0.3396	2.59	2.37
GOLF&HEALTH	2.71	1.21	0.0392	2.94	2.44
DIGITAL	3.59	1.14	0.4223	3.49	3.70