

Golf Course Dynamic Pricing

Dynamic pricing for greens fee rounds is the ability to adjust prices based on golf course access demand. Unlike hotels, we would not charge more than the “rack rate” if the demand is high. The idea for us at Lake Limerick is to attempt to increase our daily play revenue by offering lower rates when we are not busy. Other clubs have been able to see significant increases in revenue through this technique. We currently only use twilight rate after a certain time to reduce our fees to bring in more play. The challenge for us is advertising to a specific market! Currently we do some advertising geographically, but not specific to golfers.

My intentions have been to try to get us into a better marketing strategy that is targeted to golfers only. We have not had a decent tee time reservation system (that I can tell) ever. With today’s technology we can use reservation systems that golf customers can access in a geographic area to find places and times to play golf at attractive prices. On these systems we put up the tee times that are open for reservations and at what price per person. If we want to manage the tee times with “dynamic pricing”, I can input my criteria for price adjustments and the adjustments are made automatically when they are triggered. I am not going to use this feature until I am satisfied with how useful the tool is. I will change prices manually until I am satisfied that I know the criteria I want to use is relevant and likely to work.

I am looking at two systems now. The first one is EZLink and the second one is GolfNow. Both systems have a POS system with inventory control, customer management, employee time management and marketing system in addition to the tee sheet. Both systems have a QuickBooks interface. Both systems allow members and guests to make tee times online or on their mobile device. The best software is probably EZLink, but the two companies have a two-way integration. So, if someone books us on GolfNow it will flow through EZLink’s tee sheet. This could give us more than double the marketing power since Golfnow has better distribution than EZLinks.

To try to market dynamic pricing without using one of these systems would be a waste of time. If we do have one of the systems, we will need dynamic pricing to take full advantage of the systems.

They both use bartering for payment. We give up two tee times per day plus three per week for the EZLink/Teeoff systems (they expect a 30% “sell through”). Three tee times for the GolfNow system. Software, hardware and training is all included. This allows us to have industry specific software with no “out of pocket” cost to us. Other systems I have looked at could cost \$400 to \$600 per month, but we do not give up tee times.

The Green’s Committee is requesting that I be given the discretionary power to adjust our green fee rates “on the fly” to attempt to maximize the revenue from our golf operations. I predict the first year will be a slight increase but grow YOY (year over year) after that.

Attached are two screenshots to show you a sample of how the tee reservations work. I think that Alderbrook and lake Limerick are the only ones near us not using one of these systems. Below are some local courses that use the system/s:

Fort Lewis, Lakeland Village, Lake Cushman, Capital City, The Home Course, Chambers Bay, Fort Steilacoom, Oaksridge, Highlands, Hawks Prairie, Gold Mountain, Tahoma Valley, Salish Cliffs, Delphi, Tumwater Valley and Lake Spanaway.

Thank you,

Ron Stull