

**HOLIDAY TIME—AND ALL THROUGH THE YEAR...**

## GIFT CARDS BUILD PROFITS AND EXPAND CLIENTELE—WITH MINIMAL EFFORT

By David Gould, *Staff Editor*

The technology behind digital gift cards had no sooner come to market when retail experts began devising ways to optimize their use. The goals were to hike profits and broaden the client base of businesses that sold cards.

In the golf market, people became accustomed to using gift cards for the purchase of a dozen balls at one of the big-box stores. Instruction, however, is a segment of the market that golfers seldom associate with gift-giving, period.

That mindset could change, however, as gift-card technology, social media and other trends continue to evolve. New selling and marketing approaches on the part of coaches and academies would also make a difference. Pine Oaks Golf Club south of Boston, where Proponent Group member Gary Cardoza heads up instruction, offers a glimpse of how gift cards and teaching might fit together.

“On our new website we have ‘Gift Cards’ as a navigation-bar button and we announce right off that cards are ideal for golf-instruction payment as well as buying green fees and shop merchandise,” says Cardoza. It’s early yet for the new gift-card initiative at Joe & Leigh’s Golf Shop at Pine Oaks—which you may recognize as one of the most award-winning golf retail operations in the U.S.—but the basics are all in place, including the capability to generate e-gift cards. Those are the ones with no actual plastic card, just a digital credit that gets sent either by email or by text to the recipient.

Cardoza is one of those teachers who, in his days as an independent contractor, promoted lesson sales using “analog” paper gift certificates. “It wasn’t much fun doing it that way, trying to keep track of what I had sold and who had or had not redeemed their certificate,” Gary admits.

Each year at holiday time, the topic of gift certificates or gift cards naturally gains some urgency. Virginia-based Proponent Group member Kandi Comer, who operates her own two-site academy in the towns of Charlottesville and Crozet, has for some time now believed in golf instruction as a gift item.

“In 2016, I did \$4,800 in gift-card revenue, about three-quarters of that in the month of December alone,” says Comer, who uses the Square.com online platform to conduct her e-commerce business. She promotes this add-on revenue stream beginning in early October, using Facebook posts and emailed newsletter content to get her audience thinking about it. In a hybrid sort of marketing effort,

Comer doesn’t simply flog gift cards as an alternative means of purchasing her normal, in-season coaching programs. Instead it’s an off-season special that gets advertised, all about indoor training, and the cards are aimed

strictly at this type of use—they become invalid if not used by the end of March.

The trickiest challenge in gift card selling for golf instructors is the difficulty in generating a sub-file on your marketing database of the non-golfers who would gladly put something under the tree for their significant others. In other words, the lesson-taking, clinic-attending spouse would be pleased to receive a free pass to your upcoming Bunker Skills Special. Their non-golfing spouse would be pleased to spring for the \$125 fee—but the non-golfer isn’t part of your email marketing database, correct?

“I don’t have a sub-category in my database for that non-golfing customer,” says Comer. “But if I had thought of the idea when I was starting to build my file it would have been pretty easy to create and gradually populate that sub-file.” The way these



non-golfing card buyers trickle in is by asking that special golfer in their life what's on their gift list this year, and having the reply be "a gift card for lessons at the academy / club / course." To make that happen, you have to bang away at golfers you market to, prompting them to say, when asked, this-is-a-present-I-want-you-to-buy-me.

Cardoza did some of this during his early years at Pine Oaks, when he was a part-time teacher and a part-time assistant in the golf shop. Given the amount of merchandise volume coming through the Joe & Leigh retail machine, gift cards were popular even then. To divert card spending toward instruction, Cardoza would always tell card buyers that lesson and clinic fees could be paid via the cards. "It's an education process that has to start somewhere," he reflects. "Say it enough times and it will click with a certain percentage of

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people." One way that instruction will grab more of the gift-card dollar spend is for instructors to create and market products that can be picked up and held in hand. Proponent Group member Chris Smeal of San Diego has of late had the good fortune not to need promotions to fill his lesson book, but he's busy using e-commerce to sell a manual he wrote for

competitive junior golfers. Items like

that, coming under the category of traditional merchandise, are good candidates for selling via gift cards.

"Here in the early going, I've sold 75 or so copies," says Smeal, whose coaching business includes a tournament arm called Future Champions Golf. "That's enough to get me motivated to find more avenues for moving the product." On that basis, he would do well to try and make it appear on the gift lists of junior golfers everywhere. **PG**

## What the Stats and the Experts Say about Gift-Card Revenue

The amount of research poured into the gift-card phenomenon is pretty amazing—you'll find highlights from it below. But first a point that's highly relevant to golf instruction, from a report by the Association for Consumer Research about so-called "experiential" gift-giving. Co-author Cindy Chan pressed the point by saying: *"To make your friend, spouse, or family member feel closer to you, give an experience,"* rather than a piece of merchandise. Something to think about, since golf coaches are truly in "the experience business." Here are eight other on-point facts about gift cards and how they might contribute to your success as a teacher or academy operator:

- As of 2015, 93 percent of American consumers surveyed had given someone a gift card.
- Total volume of gift cards is projected to reach \$160 billion by 2018.
- About 85 percent of gift cards are used within 60 days.
- Bonus factor: *Over 65 percent of gift card holders spend an extra 38 percent beyond the value of the card.*
- A word-of-mouth endorsement is one of the best ways to get new clients. Encourage this type of behavior by offering people a small gift card when they refer new people.
- \$1 billion gift cards went unused in 2013, but that figure is trending downward, due to the enactment of consumer-protection laws.
- The use of gift cards as sweepstakes and raffle prizes is growing. Any golf academy could raise awareness of its brand by offering their gift cards as a raffle prize for a worthy cause.
- 56 percent of surveyed consumers would like to keep gift cards stored on their phone. This makes the card easily accessible and decreases the chances of it being lost.
- The little secret of "self-use": Nearly 78 percent of surveyed consumers said they would purchase an e-gift for self-use, if it were offered at a discount.