

Golf

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Rub of the green drives off hazards of downturn

Bolstered by interest from the east, the game is in rude health although it would do well to address its elitist image, writes *Roger Blitz*

The talking points in golf are numerous, controversial and complex. Should Tiger Woods have disqualified himself from the US Masters for hitting an illegal shot? Should a 14-year-old Chinese golfer have been penalised in the same tournament for slow play? Did Masters winner Adam Scott gain an unfair advantage by using a long putter? Has Rory McIlroy's game been affected by his new multimillion-dollar Nike deal?

Lucky golf. Lucky to have problems that other sports would love to have rather than their own more serious ones: like cycling, still coming to terms with the Lance Armstrong doping scandal; or football, whose main governing body Fifa is regarded with so much distrust; or sports such as cricket and, again, football, where

the whiff of match-fixing lingers.

Golf's cognoscenti would challenge any suggestion that luck has anything to do with it. Integrity, sportsmanship and dignity are the creeds associated with golf that have attracted television audiences and sponsors down the decades and continue to do so. These are hard-earned, hard-fought values.

The Woods controversy in particular, and the tortuous debate about whether or not he had erred, are examples, they say, of just how deeply these values continue to be respected.

Nonetheless, fortune has played some role in golf's relatively untroubled progress of recent years. Golf has been fortunate that the global downturn, which caused problems in the sport's heartlands of the US and the UK, has not been nearly so severe in Asia, where the game's



China's Guan Tianlang: the game's most vibrant growth market is in Asia

Getty

most vibrant growth markets sit.

Golf has cause to be grateful that Woods, one of the best-known sportsmen on the planet, has rediscovered his game after some barren years. Furthermore, his battle for supremacy with the young charismatic McIlroy, though artificial and hyped in many respects, at least offers a reasonably compelling story.

Then there was the extreme good fortune of last year's Ryder Cup being one of the most gripping sporting encounters of recent years.

No less fortuitous is the restoration of golf to the Olympics in 2016, a rare opportunity to reach new audiences and perhaps add a fresh format, but most of all to instil new energy into the game. One can spend many hours in the bars of club houses arguing whether golf has struck lucky getting into the Olympics, or has earned it. Either way, it is a chance that must not be squandered.

Golf's senior administrators are seasoned enough not to get sucked into

'There are opportunities in all parts of the world, but we have got to get off our backsides and find them'

complacency. The European Tour, which must surely consider changing its name now that its tournament schedule is so global, can take some of the credit for keeping the game motor-ing in upcoming markets, particularly Asia.

"The academies in China and South Korea are huge," George O'Grady, European Tour chief executive, says.

South America, China and south-east Asia – all doing relatively well economically in comparison with the mature US and UK markets – will see plenty of growth in demand for golf as the appetite of their growing middle classes is whetted.

"It is an optimistic period. There are opportunities in all parts of the world, but we have got to get off our

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Golf

Scotland gets into swing for Europe versus US challenge

Ryder Cup Tournament is expected to stimulate local economy, says Graham Otway

With 16 months to go until Europe's best golfers defend their hold on the Ryder Cup at Gleneagles in Perthshire, it is too early to predict whether the US team will win the trophy for only the second time this century.

Bookmakers have installed the home team as odds-on favourites, perhaps unexpectedly given the US team's domination of the first two days' play at Medinah near Chicago in the 2012 Ryder Cup. Then the European team needed the miracle performance late on the Saturday night from England's Ian Poulter to turn the match on its head.

It may seem surprising that anyone would bet on the outcome so far in advance of the tournament. There are still many questions to be resolved that will be critical in September 2014, such as the make-up of teams, the set-up of the course and the weather. But the Ryder Cup is more than just

a biennial three-day challenge between the two most powerful golfing forces in the world – the PGA of America and the European Tour.

It is a multimillion-pound, self-contained industry and since Gleneagles was announced as the venue in 2006, a vast area of central Scotland has been gearing up to cash in on the potential profits generated in the week of the event, and on the legacy of increased golf tourism in the years to follow.

Work is under way to prepare Gleneagles's 7,296-yard, par 72 PGA Centenary course, designed by Jack Nicklaus in 1993, for the event. Extensive modifications completed in 2012 involved the movement of 50,000 tonnes of earth, the laying of 30,000 square metres of new turf and replacing 1,000 tonnes of sand in the bunkers.

Bernard Murphy, general manager of Gleneagles, has a good reason to avoid forecasts of the nature of the challenges that the course will present next year. "The course is not

the longest and its biggest defence is the rough," he says. "But how the course is set up will be the choice of Europe's captain, Paul McGinley, and we have not reached that stage yet."

The last two Ryder Cups in Europe were affected by heavy rain – at the K Club in Ireland in 2006 and Celtic Manor in Wales four years later. Showcasing golf's biggest event in Scotland at the end of September could be a nightmare.

Murphy says plans are in place to cope with a wet week. "We have put the sub-air system into all the greens so we can control the moisture levels as far as possible and over the last five years a lot of drainage work has been done on the fairways."

The slopes around many holes will provide good grandstand seats for 15,000 spectators every day, compared with 10,000 at Medinah last year.

"We will have 45,000 spectators every day and the TV audience that week, with the Ryder Cup shown in



Gleneagles: the par 72 PGA Centenary course has been extensively modified for the Ryder Cup, which is expected to attract 45,000 spectators a day

Gleneagles event Factfile

- **£100m** – expected boost to the Scottish economy
- **2,000** – jobs sustained by Gleneagles
- **183** – countries will watch with a daily global audience of 500m
- **250,000** – spectators to attend
- **3,000** – corporate hospitality places available each day
- **7,000** – staff and volunteer marshals will work at the course
- **£1m** – spent on a sub-air system to control moisture
- **BMW, Diageo, Rolex, Ernst & Young and Standard Life Investments** have signed as sponsors/partners

Source: Gleneagles

about 180 countries, should be about 500m. From a business point of view it will give us a wide profile."

Businesses beyond the confines of the 850-acre Gleneagles estate are hoping to enjoy a boom, with an anticipated total income from the tournament of about £100m, Gleneagles research shows. The 2010 Ryder Cup in Newport in Wales was worth more than £82m to the local economy.

Robbie Clyde, Ryder Cup project director at EventScotland, a promotional body, says with limited accommodation available in the nearby towns of Auchterarder, Perth and Stirling, 6,000 hotel beds have been put aside in Glasgow and Edinburgh. Both are more than an hour away from Gleneagles.

Local businesses, he says, will not miss out. "We had a meeting with business representatives of Auchterarder recently and pointed out to them that while the Ryder Cup is just three days in September, they will see a lot

of benefits over a longer period. "The build-up to the event will start in July with hundreds of contractors staying locally, and the breakdown of the infrastructure will continue well into November. There will be a lot of business for the shops and hotels."

Clyde says EventScotland has signed deals for Scotland's courses to host major tournaments until 2020, including the Open Championships, the professional ladies' Solheim Cup and the amateur Walker Cup.

Local businesses are bracing themselves. Lionel Foucart, manager of the 14-room Cairn Lodge hotel, about a mile from the course, says: "We have been fully booked for Ryder Cup week for more than a month. But every day we are still getting phone calls."

"I am thinking of asking some of the householders surrounding the hotel whether they want to let out their homes for the week," says Foucart. "It's all very exciting, amazing... but scary at the same time."

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Rub of the green drives off hazards of downturn

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backsides and find them. Every golf tournament has to have atmosphere," says O'Grady.

The recession in golf's mature markets has concentrated minds on how to keep the game moving. Andrea Sartori of KPMG's golf advisory practice, says supply and demand in the traditional markets of the US, Canada, the UK and Ireland had in recent years suffered from "a certain degree of stagnation".

"There is nothing surprising in golf participation moving with the economic forces at work in its main markets.

The difference this time is the depth of the recession, says Glen Nager, president of the US Golf Association. "That makes the challenges for the industry in the present time greater than in earlier times.

"Society has changed too. Time is a much more precious commodity to people. We live by the minute rather than the day."

Is this a historic moment in the game of golf? "I believe so, yes," he says. On the one hand, the professional game looks as strong as ever, the players are enriched by the European and PGA tours and



Spain: still one of the most popular golf destinations

television companies and sponsors are sustaining interest.

New deals propelled golf from the sixth biggest sport in terms of sponsorship

"We need to make sure that if the bad times come, we won't be worse off"

value in 2011 to the second in 2012, behind football, according to World Sponsorship Monitor.

Golf Channel, NBC's television station, is on course for its third successive annual increase in viewing numbers. The average CBS rating, meanwhile, for the final round of this year's Masters was up 26 per cent on the same round last year.

On the other hand,

says Mr Nager, "the rest of the game has suffered".

The USGA believes that there are three significant challenges to the game in the US and the UK: how to reduce the cost of the sport; how to increase the speed of play; and how to reach new populations. In other words, golf needs to address the elitist image that puts off large numbers of people.

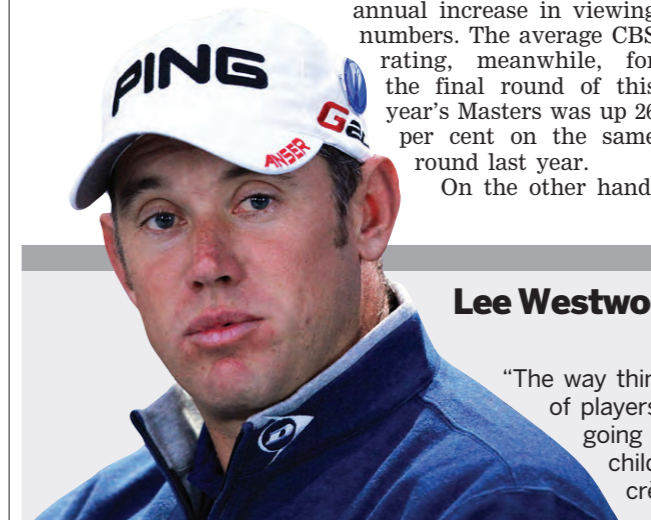
Competitive prices have helped to stimulate golf tourism. Golfing holidays were up 9.3 per cent last year compared with 2011, as operators largely kept their prices static. Sales exceed €1.5bn annually. Despite their economic problems, Spain and Portugal continue to lead the way as the most popular destinations.

"Tour operators are quite optimistic about the future," says Sartori. "Maybe they are getting used to a little less profitability."

If golf can tackle these barriers that prevent many more from playing, then the game has indeed a bright outlook. But Nager remains cautious.

"Too early to say," he responds, when asked if the US market was now restored to growth. His point is that it does not take much to veer the golfing economy off course again.

"We need to keep redoubling our efforts. We need to make sure that if the bad times come, we won't be worse off than we might have been. And if the good times come, we will be exponentially better off."



Lee Westwood British player

"The way things are going with the age of players coming through, we're going to need not a players' crèche, but a players' crèche."

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Golf

Wind farm complicates Trump links controversy

Turbine turmoil Billionaire's argument with environmentalists and residents over course takes a further twist, writes *Mure Dickie*

If there is one thing Donald Trump and some of the staunchest opponents of his controversial Scottish golf course might agree on, it is the importance of a good view.

Trump is waging a characteristically voluble battle against plans for a research wind farm off the coast near the new Trump International Golf Links just north of Scotland's port city of Aberdeen. Construction of the wind turbines, the US property developer says, would plant "ugly monstrosities" across his course's fine sea prospects, destroying a golfing "masterpiece". Trump has threatened to halt plans for further development at the site, including a proposed \$150m hotel.

His concerns carry little weight with local residents smarting from what they see as his heavy handed approach to development of the stunning sand dune site. John Munro, whose home is now just a few dozen metres from the course's car park, has had his once expansive views blocked by a tall tree-topped bank and hefty gate.

"He's creating hell about these wind turbines spoiling the view for his hotel residents but what about that bank?" asks Munro.

Trump's willingness to move earth and plant trees to shield golfers' eyes from the sight of local homes whose owners refused to sell is just one ingredient in a lingering controversy surrounding the sprawling, nearly 600-acre course, which staff say has already cost about £100m.

Environmentalists remain upset about the decision to build on part of an area designated a site of special scientific interest, and activists are angry at what they see as the bullying of local residents who opposed the project.

Public disquiet was reignited by the BBC's broadcast last October of the independently produced documentary *You've Been Trumped*, which showed police arresting journalists who had been reporting the loss of water supplies to nearby homes.

Trump staff dismiss the documentary as propaganda and say workers did all they could to avoid disruption of utilities during construction of the site. Police have said they acted impartially.

Members of Scotland's parliament this month invited police and other public authorities to respond to allegations that they "overstepped" boundaries in their handling of issues relating to the Trump development. The MPs' concern was prompted by the submission of a 19,000-signature petition calling for a public inquiry by David Milne, who lives on the Menie estate, which was bought by Trump for his resort.

Milne says all the negative publicity could scare off future investors and that what he has seen of player numbers on the course – visible from his house past a screen of Trump-planted trees – makes him doubt its financial future.

Trump seems to thrive on public dispute. A biography of the developer entitled *No Such Thing as Over-Exposure* sits proudly on a shelf in the administrative office of the Scottish course. George Sorial, counsel to the Trump Organisation, says opposition to the course has only helped it.

"Ironically, all this controversy has really been good for business," Sorial says.

According to Sarah Malone, executive vice-president for the Scottish course, 10,000 people played the course in its short first season last year and 11,000 have already booked rounds in 2013, out of total capacity of up to 25,000.

At a standard weekday green fee of £195, play is hardly cheap – especially for a course that has had so little time to bed in. Golfing world reaction has so far been mainly enthusiastic. Wending between once shifting dunes fixed in place by millions of hand-planted Marram grass sprigs, the dramatic course designed by Martin Hawtree, a British golf architect, aims to challenge golfers of widely varying ability.

Some players and golf professionals have even endorsed Trump's boast that it will be the world's best course. A review in

Golf Digest magazine described it as a "fantasy fulfilled" that was worth "every effort" to play.

Trump is confident enough to be pushing forward with preparations for a second course. This is set to be named after his Scottish-born mother, Mary MacLeod, and it will lie on gentler dunes just south of the first.

Prospects for the rest of his proposed development appear less assured.

The Scottish government in March approved the £230m European Offshore Wind Deployment centre. It

will have 11 test turbines located between 2km and 4km off the coast and will be capable of generating up to 100MW of electricity.

Trump has suggested he will halt further investment in his development if the wind scheme continues, a prospect that worries some in a region that remains highly reliant on its oil and gas industry for growth.

Yet despite the local opposition and environmental concerns, the Trump scheme enjoys strong public support in Aberdeen and surrounding areas.

Robert Collier, chief executive of the Aberdeen and Grampian Chamber of Commerce, says the course should help make the area more attractive to the skilled workers that its energy sector desperately needs. "The region needs investment that draws national and international attention to it," he says.

Trump is challenging the wind

project in court and the scheme's financing has been questioned after lead investor, Vattenfall, the Swedish energy group, said it was seeking to dilute its stake.

Work on the site has begun and the Scottish government remains strongly committed to developing wind power.

Trump's very opposition to the scheme might even strengthen support for it, at least when it comes to one high-profile local critic of his golf development.

Michael Forbes, a Menie resident who was heavily featured in the *You've Been Trumped* documentary, says he is no fan of "windmills". But Forbes, a quarry foreman voted "Top Scot" in last year's Glenfiddich Spirit of Scotland Awards, says he could make an exception in the case of the Aberdeen Bay scheme.

"If it pisses off Trump, I'm for it all the way," Forbes says.



Focus on figures

Trump International Golf Links says investment in the course and related infrastructure at the Menie Estate near Aberdeen has exceeded £100m.

Sarah Malone, executive vice-president, says 10,000 people played the course in its short first season last year and that 11,000 have already booked rounds in 2013, out of a total capacity of up to 25,000.

Non-resident fees for the course range from £195 on weekdays to £215 at the weekend and accommodation on the estate starts at £295 a night.

Trump International says 250 full and part-time staff, consultants and contractors are currently engaged in the project and that it provides business to more than 100 local and regional businesses.

In February, Trump International submitted preliminary plans for a second 18-hole course, also to be designed by Martin Hawtree. The golf courses are supposed to be just the start of a huge property scheme.

Trump International has released images of a proposed \$150m luxury hotel and other possible development that could include 950 holiday homes, 500 residences and 36 golf villas, with investment totalling up to £1bn.

In a recent survey businesses in the region, asked to identify "investments driving growth", ranked the Trump golf resort third, lower only than a long-awaited Aberdeen bypass and airport development.

Mure Dickie

Opposed:
Menie resident
Michael Forbes,
above right,
prefers windmills
to further
development by
Donald Trump,
pictured below

Mure Dickie/PA

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Golf

Ecology looms large as tourism boosts demand for courses

Sustainability Communities, developers and officials have to work together, says *Sam Ĵudah*

Few sports raise the hackles of environmentalists in the way that golf does. Often regarded as the preserve of the wealthy, its landscaped swaths of bright green grass are regarded as impositions on the natural order, kept pristine by pesticides and lashings of fertiliser.

New courses have cropped up in rainforests and even deserts, as developers jostle to attract well-heeled holidaymakers happy to pay the healthy green fees.

Just as environmental awareness has grown in recent decades, so too has pressure on the sport to answer its critics. Golf courses often advertise their environmental credentials, and new schemes have emerged to help verify and promote those claims. Some are controversial and accusations of "greenwashing" abound.

Peter Walton, chief executive of the International Association of Golf Tour Operators, says tourist boards across the world are trying to attract golfers because they spend an average of 120 per cent more than other tourists per

person per day – largely because golf is an expensive pastime. The industry is booming, too. Association members reported sales growth of 9.3 per cent worldwide in 2012, and the organisation estimates the total market to be worth about £9.6bn.

Walton does not think such figures will inevitably lead to greater environmental impact. "The objective of sustainability is a true one. In the last 15 years or so, no course has been built without going through an environmental impact assessment," he says.

This year the association launched a formal partnership with the Golf Environment Organisation, a high-profile certification scheme backed by the R&A, golf's governing body. It relies on funding from bodies such as the R&A and the European Tour and revenue from clubs that pay to join its programmes.

"We wanted to offer an eco label for golf," says Jonathan Smith, GEO's chief executive. "Like forestry, fisheries and farming, the idea came from the desire of the industry to set some minimum standards." GEO offers a



stamp of approval to new and existing courses that pass an inspection and meet its standards in areas such as waste, energy, water use, pollution and impact on the natural environment.

Other certification schemes exist. The Sustainable Golf Project, for example, is a profit-making business that provides a set of environmental benchmarks to golf courses. Golf clubs assess themselves and become "clan members" if they believe they have met the criteria.

The Moon Palace golf resort in Cancún, Mexico, has been awarded the GEO certificate. Its development was overseen by Fernando Calderon, its environmental assessor.

"In the 1960s and 1970s many courses were built in Mexico that damaged the environment," he says. Imported grass carried a disease that affected the indigenous palm trees, and a spate of similar problems led the Mexican government to place stricter controls on new developments.

Calderon says the course was designed to weave its way around the native mangrove trees, allowing lizards and eagles that inhabit the area to remain.

However, in some parts of the world there is little environmental legislation and the fate of the land lies in the hands of the developers.

On Great Guana Cay, a tiny island in the northeast Bahamas, a community group has been in disagreement with the Discovery Land Company, a developer that has built a string of luxury homes around the Baker's Bay golf course and marina.

The Save Guana Cay Reef group believes fertiliser from the development has leaked into the ocean, damaging the sensitive coral reef that lies 30m offshore. "It's the most beautiful and most intact reef in the Bahamas," says Thomas Goreau, president of the Global Coral Reef Alliance, an environmental organisation.

He has led a team of unpaid

scientists to investigate any impact of the course on the reef. They are concerned that fertiliser may be escaping and causing rapid growth of algae that smothers the delicate coral.

"It's like adding Miracle-Gro to the reef," says James M. Cervino, a scientist who usually carries out environmental assessments in New York.

The developers deny the claims. Livingston Marshall, senior vice-president for environmental and community at the Baker's Bay club, talks of "a small group of individuals who are resistant to change". He thinks algae growth could have been caused by a number of factors, such as tropical storms, and points out that the Bahamas government has approved all of the company's plans.

"The idea came from the desire of the industry to set minimum standards"

Despite such controversies, golf is not always regarded as environmentally questionable. Some observers argue that it is possible for courses to have a positive impact on their surroundings. Grahame Madge of the Royal Society for the Protection of Birds says that in the UK in particular "the woodland dotted around courses provides refuge for local wildlife". Where effective legislation is in place, and courses are designed to be congruous with their environment, improvements can be made.

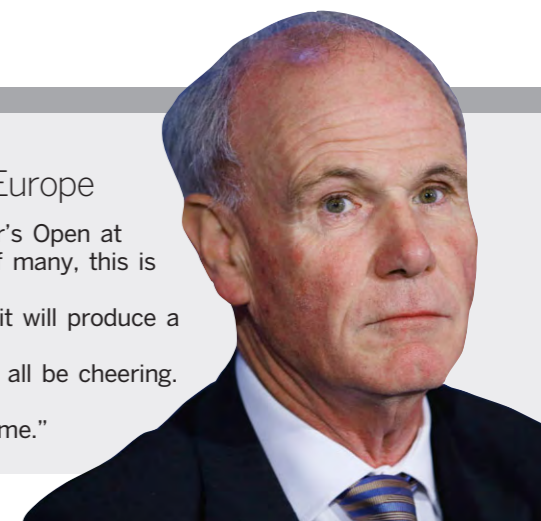
Ideally, networks of enlightened developers, government officials and local communities would work together to reap the economic benefits of golf tourism without disrupting the ecosystems that the courses inhabit. Calderon puts it much more simply: "It's not a good idea to kill the planet and get rich. My plan is to save the planet – and still get rich."

Impact: Guana Cay is home to sensitive coral reefs Getty

Sandy Jones
Chairman, PGAs of Europe

"Roll on July and this year's Open at Muirfield. In the opinion of many, this is our best Open venue.

"I have the feeling that it will produce a British winner this year and if it does we will all be cheering. That would be a welcome boost for our game."



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Boxing guru to give ladies' game a radical makeover for Olympics

Women players

Head of tour focuses on TV exposure to build player profiles.
By *Graham Otway*

Professional boxing is a world away from women's golf. Yet as the Ladies European Tour attempts to raise the profile and popularity of its golfers in the build-up to the 2016 Olympic Games, it has turned to a former boxing and athletics executive to bring the game a radical makeover.

In January, Ivan Khodabakhsh took over the reins of the LET at its Buckinghamshire golf club headquarters, and in the time since, the Swiss-based 46-year-old German has made several changes.

He has set up an in-house television production company to try to make sure tournaments are shot in a positive light and in an attempt to tell a consistent story. The move, he says, will lower the cost to television companies of showing the players in action.

Khodabakhsh's decision to reshape the LET's television exposure is starting to pay dividends. This year eight of its tournaments will have live coverage on channels including Sky in Europe and Star/ESPN in Asia. That is five more tournaments than were shown last year.

The LET will have stronger control over a weekly television magazine and highlights packages that have been sold in 80 countries, with the potential to reach more than 307m homes.

Khodabakhsh is encouraging his members to use social media in the hope that they will build up armies of followers who will attend tournaments or watch them on television.

He has not arrived on the golf scene free of controversy. In his previous role as chief operating officer of World Series Boxing he had to deal with an allegation, raised in a BBC report in 2011, as to whether medals

were promised for two Azerbaijani fighters at the London Olympics in return for a \$10m loan to the WSB from an Azerbaijani investor.

It is an accusation he has denied, saying: "There was an investigation and it has cleared me completely."

The WSB and International Boxing Association said the loan was an entirely proper investment transaction without any link to the award of medals.

It is from the work he did in boxing, moving away from competitors fighting bouts for titles to setting up franchised teams of amateur boxers around the globe, that he developed his sports marketing instincts.

"With all the old boards of control, boxers used to be able to compete for about 10 different titles at 17 different weights," he says. "But we changed the face of that tradition by creating a professional programme for boxing with a proper structure. And we were extremely pleased that from our 200 boxers some 50 of them competed in the Olympics last year."

Mr Khodabakhsh has not inherited such a chaotic structure in the LET. But with only 22 tournaments this year, and a total prize fund of about €10m, it is very much regarded as the younger sister of the American LPGA Tour, the 28 tournaments of which offer its members \$39m.

He believes he has taken

on the tour with the capacity and potential to expand. He says: "It is extremely solid. It has remained healthy despite the economic downturn and maintained its number of tournaments over the last four years."

"Firstly we are a very diverse tour. The base is Europe but a third of the tournaments are outside Europe and we have a very diverse membership. And that's good for two reasons. Certainly for sponsors and TV the diversity and international character of the tour is appealing."

"Because we are working beyond the boundaries of Europe with tournaments in places like New Zealand and Australia, where we have two, China, India, Dubai, and northern and southern Africa, we can have tournaments for the members most of the year."

"Even without the economic downturn, because of the weather in Europe there would be no golf from October through to March. But that five months of the schedule is filled by having

'For sponsors, the diversity and international character of the tour is appealing'

tournaments in other parts of the world and at the moment it is easier to do business outside of Europe.

"Yes it does mean there is more expense for the players with travel costs, but by arranging the schedule to create swings with tournaments in the same area it not only cuts down the amount of flying but also creates packages for TV."

A new tournament in the UK, the ISPS European Masters, which will be held in Buckinghamshire in July, is on this year's schedule. But having secured a sponsor, Khodabakhsh now needs good television exposure and crowds turning up to watch the players.

That is his focus: "We have formed a long-term agreement with the German production company Ucom to produce our own TV coverage of our events," he says. "This will create consistency with the quality of the product and a continuing narrative of the story of the tour with the same commentators each week and cameramen – and that will help create interesting features."

He says the focus over the past decade has been to put a robust and competitive schedule in place, "but the next step has to be to package it and create a commercial programme which will make the tour more appealing."

"Our biggest asset is our players and they want to grow the tour – and it's critical that we work with them."

He cites young players such as England's Charley Hull, who at 17 finished second in her first two tournaments and at the other end Laura Davies, who will be 50 this year and is still playing professional golf.

Now, he adds, more good publicity is needed. "It's important we do it with golf returning to the Olympics in 2016. That is going to give women's golf a new platform and with billions watching it will be another huge opportunity for us. But we have to do our homework now and we have to create the stars who will be recognised now."



Ivan Khodabakhsh: believes tour has capacity to expand Getty

Golf

Top players hit sweet spot with deals

Sponsorship Golf is second only to football in terms of its attractiveness to companies, writes *Roger Blitz*

Rory McIlroy showed signs of a return to form at this month's Players Championship in Sawgrass, Florida, after a poor start to his season. "Another solid tee to green week... Just need to get the putter going and it could be an exciting few weeks!" McIlroy tweeted after ending the tournament tied for eighth place.

The Northern Irishman was ranked number one in the world when Nike announced in January that he would join Tiger Woods in its sponsorship stable in a multimillion-dollar deal that the sports equipment manufacturer hoped would drive the sale of golf equipment.

The exact amount of money involved was undisclosed but no doubt it placed the 24-year-old in the world elite when it comes to sport's biggest earners.

As the golfing season begins to hum, McIlroy's form has been a major talking point. He has lost his position at the top of the world rankings to Woods and there have been plenty of armchair pundits pinning the blame on McIlroy's switch to Nike clubs.

It is a reasonable bet that he will come through and repay the faith of his sponsors. Not only Nike but also Bose and Omega joined his roster of backers this year.

In the race for sponsorship dollars, McIlroy's deal gives golf the appearance of a healthy and vibrant sport. According to the World Sponsorship Monitor, golf's stock has indeed risen among sponsors.

Golf ranks second only to football among the top 50 sponsorships of 2012, with \$642m worth of deals. Discounting the Olympics, the next biggest sport is basketball, with \$185m worth of deals. The total reported value of golf deals jumped from \$355m in 2011 to \$1.01bn last year.

The attractions of sponsoring golf are obvious, says Martin Gilbert, chief executive of Aberdeen Asset Management. The financial services company is the sponsor of the Scottish Open, the event that precedes the British Open. The Scottish Open will be broadcast live on NBC for the first time and the promotion that Aberdeen will enjoy is huge. "It's a global sport and it gives you name awareness," Mr Gilbert says. "The key



statistic is 48 per cent of the world's wealth is in the US," he adds. "It is the biggest market in the world for us."

While golf can be satisfied with the deals for its leading tournaments and players, not all do so well, says Tim Crow of sports marketing consultants Synergy. "Golf at the top is doing well," he says. "It is very similar to other sports and golf is holding its own in the downturn."

"People would be surprised to discover that there is a line below which people don't earn much money at all." Brands, especially banks, have followed golf's growth in Asia.

Giles Morgan, global head of sponsorship at HSBC, observes: "Europe

Top five recent sponsorship deals in golf

Sponsor (industry)	Country	Event/individual	Amount	Duration (years)	New or renewal
Nike (clothing)	Inter'l	Rory McIlroy	\$234m*	10	New
FedEx (freight)	US	FedExCup	\$220m	5	Renewal
Web.com (internet)	US	Web.com Tour	\$100m	10	New
Valero (energy)	US	Texas Open	\$48m	6	Renewal
Deutsche (banking)	US	DB Champs	\$40m	4	Renewal

Source: The World Sponsorship Monitor

* Estimate

Big bucks: Rory McIlroy's deal with Nike places him in the world elite of sport's biggest earners
AFP/Getty

suffers from economic pressures, there are less marketing dollars and there have been some challenges for sponsorship," he says.

The marquee tournaments are looking relatively comfortable. FedEx, the freight and courier company, last year renewed its sponsorship of the FedEx Cup for a further five years.

The PGA Tour's playoffs, spread over four tournaments, are to be known from this year as the FedEx Cup Playoffs, with \$10m in prize money for the winner and \$35m in bonuses for players.

The European Tour believes that its struggles for sponsors are easing. It has devoted huge amounts of time in the emerging golf markets in the Middle East and Asia to bring in new sponsors and audiences. "We see in other markets the growth of the middle class," says Morgan. "Golf is an affluent and aspirant sport."

All this is vital to halt the flow of European players to the US PGA tour, where the rewards are greater.

Key to this is a revitalised end-of-season series with competitive prize money to attract strong fields, culminating in a \$8m purse for the DP World Tour Championship in Dubai.

The European Tour built its season around the "Race to Dubai", launched in 2009 with \$100m promised by Dubai over five years. But the financial crisis forced a reduction in prize money. "We've come through tough times in Dubai," says George O'Grady, chief executive of the European Tour.

Its final series of four tournaments is backed by BMW, HSBC and DP World, the Dubai-based marine ports operator. Dubai's presence as a backer of the European Tour is crucial, says O'Grady. "For the last few weeks, players will play for \$32m."

It would be a stretch to claim the season-ending series at both tours have grabbed public imagination. The new FedEx deal for the PGA playoffs is a sign that the series has "never really taken off," says Crow. "FedEx needed to give the season a resounding send-off."

Sponsors will question tournament organisers' ability to appeal to audiences. Morgan is interested in how golf embraces new shorter formats of the game, perhaps mirroring what Twenty20 has achieved for cricket.

Volvo, BMW see 'unique' opportunity

Brand awareness

Sponsors outline benefits from their 25 years of continuing support for the sport, writes *Graham Otway*

For a sport to hold on to a sponsor for 25 years is a significant achievement given the boom-and-bust cycles of the global economy. Yet that is the milestone professional golf has reached this year in its relationships with Volvo and BMW, the carmakers.

Volvo sponsored its 130th tournament globally with the Volvo World Match Play Championship in Bulgaria this month. Next month, BMW will mark a quarter of a century promoting its International Open, one of the European Tour's biggest summer events in the company's home city of Munich.

Per Ericsson, president of Volvo Event Management, says golf offers a unique way to reach existing and potential customers, through its World Golf Challenge. Every year, customers in more than 30 countries take part in local competitions and the winners travel to the Volvo Golf Championships tournament to play one round with the previous year's European Tour winners.

"Over a round of golf our dealers can see our customer looking happy, sad and even angry," Ericsson says. "But during five hours out on the course, they never seem to leave without having had a discussion about our products."

"Brand awareness through exposure on TV has been very good," he adds. "And golf fits our position in the market."

That appeal to brands of the social status of golfers is echoed by Eckhard Wannick, head of sponsoring at BMW. But perhaps the company's most unusual marketing technique is its method for persuading customers to watch the professional tournaments that it sponsors. "They buy tickets to the tournament," says Wannick. "But after that all they have to do is show their BMW car keys and that is their passport to the car park and all the exclusive areas."

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Golf Equipment

Design changes the game

Innovation Club technology allows the boys to take on the men, writes *Duncan Robinson*

Golf has never been easier – though it might not seem so to an amateur stuck in a bunker on the 14th.

Vastly improved club designs have helped “lesser players catch up with better players”, according to Rory McIlroy, the 24-year-old former world number one. And the people who make the clubs agree.

“The game has gotten much easier to play,” says Tom Olsavsky, a senior director of product creation at TaylorMade, the golf club manufacturer that supplies Justin Rose, the world number four.

Players can drive the ball further, retrieve shots from previously tricky positions with ease and drastically improve their putting accuracy – all thanks to innovation in club design. “There have been huge changes in the professional game,” agrees Alan Hocknell, who leads the research arm of Callaway, whose clubs are used by three-times Masters winner Phil Mickelson.

“Some is down to athleticism, some is due to the set up of the courses and some is down to equipment.” It is the change in equipment that is most striking.

Boys can now compete against men, as the recent success of Guan Tianlang, a gangly 14-year-old from China, in the Masters in April attested. Guan became the youngest player to make the cut at Augusta, in part because of his superb play with a hybrid club, namely a mixture of a wood and an iron that was barely used a decade ago.

However, a new golf club will not turn a have-a-go player into a champion overnight. “The challenge of tournament golfers is still heavily driven by the mental toughness needed to succeed at the highest level,” says Olsavsky.

But even the mental strength needed to win a major has been altered by club design. The increasing popularity of long putters – which embed the top of the club into a player’s chest, creating a pivot for added stability – has split the sport. Regulators at the UK’s R&A and US Golf Association this week ruled that players must only use them with a free swing from January 2016 – removing their advantage.



Fan: two-time Masters winner Bernhard Langer started using a longer putter after suffering from the ‘yips’

EPA

For some, they were an innocuous development that helped both amateurs and professionals improve their game. “We know that long putters help many golfers play better and enjoy the game,” says Olsavsky. For others, they went against golf’s ethos, interrupting with an awkward pivot the holy trinity of player, stick and ball.

“I’ve been in the industry a long time and they are slightly against the spirit of the game,” says Simon Millington, the chief executive of Forgan, which has made golf clubs since 1860. “It takes out the mental pressure of the putting side.”

Even when the ban kicks in, golfers can use technology to mimic the effects of a pivot. A heavier handle, for instance, could reduce the chance of the “yips” – a sudden, unexplained twitch that can cause even the world’s best golfers to miss an easy putt when the pressure is on.

Not many players will be out of pocket by the pivot ban, which had been in the offing since late last year.

Sales of long putters at TaylorMade, Forgan and Callaway have all dropped since doubts about their future in the game emerged. “We noticed a huge spike in sales [at Forgan] when someone won a major using one,” says Millington, who estimated that the proportion of long putter sales used to triple after a professional won a major using one.

While the evolution of the putter has stolen the headlines recently, it is the driver that has been through the most noticeable revolution. Over the past few decades, golf has borrowed heavily from aerospace, with manufacturers using everything from titanium to carbon fibre to give players extra distance and accuracy on their drives – and with some success.

In 2011, the average drive on the PGA tour in the US was more than 290 yards. In 1980, only six players averaged more than 270 yards.

“Today’s drivers” are far more forgiving on bad shots,” says Millington. With a bigger sweet spot – and thus less chance of hooking a shot into the rough – players are free to swing harder than ever.

Sometimes, however, innovation in club design goes outside players’ comfort zone. Sound is one of the best feedback mechanisms, says Hocknell. In the same way that car manufacturers put a satisfying slam on a car door, club manufacturers must ensure a golf club produces a healthy thwack when it connects with a ball.

It was the lack of a comforting ping that foiled Callaway’s plans for a driver made entirely from carbon fibre. “It had the performance but it didn’t have the sound,” he says.

Likewise, Callaway’s square-headed driver failed to prosper because it was, well, square. “From a physics point of view, it improved the stability of the face,” says Hocknell. “But they were polarising to look at. If we had got our pros to use it, we’d all be using square drivers.”

Evolving equipment is not new, he says. “Club making was always a vibrant part of the game. If you look far back in history, the relationship between the golfer and the equipment is pretty essential.”

‘The challenge for tournament golf is still driven by the mental toughness needed to succeed’

Fashion Style and function prove a winning combination



Rupert Bear-style tartan trousers, baggy polyester sportshirts and the loudest knitwear known to man once passed for style in the world of golf. Clothes were worn without consideration for fit, fashion or even function.

But no more. Fashion on the fairways has come a long way and is driving sportswear innovation – and the market is huge. According to HSBC, an estimated 80m golfers are playing on nearly 40,000 courses worldwide.

Modern golfers look for outfits that can be worn from office to course to clubhouse and golf footwear also has to be versatile. “Golf shoes can now come without spikes to be wearable off the course,” says Ian McLeod of trendygolf.com

The technical side of manufacturing is important. Players can encounter sun, cold, wind and rain in one day in a single round, so manufacturers seek to supply clothing made from innovative technical fabric.

High fashion on the outside and high science within is crucial, says Jon Camp of Fletcher Leisure Group, the company behind golfing clothiers Sunice and AUR. “They must not restrict movement and not distract.”

Breathability, stretch and cut are important. As Adam Scott, above, this year’s Masters champion, says, “To be a modern-day golfer you have to combine style with function.” The best of both worlds.

Heath Brown

Innovation The evolution of a 21st-century sport

Range finders

Range finders showing how far a player is from the hole have long been a staple of television coverage. Now, thanks to smartphones, they are a part of an amateur’s Sunday round. Free apps such as Swing By Swing, which has nearly 2m users, let amateur golfers work out exactly how far they are from the hole.

Metal woods

Woods, despite their name, have not been made from

wood in decades. Titanium and other lightweight, strong metals have the added advantage of not absorbing as much energy when they strike a ball, making it go much further.

Long putters

So good they must only be used with a free swing from 2016. The added support they have provided has drastically improved the putting games of some players, such as

Masters winner Adam Scott. But regulators have decided effectively to remove their advantage. They have dominated the game for decades, with four of the past six major winners using them.



Golf balls

Golf balls have come a long way from the 19th century, when they were a leather pouch stuffed with feathers then painted white. Today, they have a

solid core and multiple layers with a urethane coating, all of which help the ball fly in a more consistent way. If your shot suddenly veers off, it is your fault.

Simulators

Because why go outside when it is wet and miserable? Golf simulators have improved rapidly in recent years and are now extremely realistic, enabling golfers to try out new clubs in store, or simply play a round without getting wet.

Experience feeds into apparel

Interview

Ian Poulter
Golfer and entrepreneur

Graham Otway talks to a Ryder Cup hero

Ian Poulter was Europe’s hero in the Ryder Cup victory over the US at Medinah near Chicago last year, when he won a critical point that paved the way for the European team to clinch the title. Away from the golf course, the 37-year-old English player has tested his entrepreneurial skills by establishing his own brand of golf clothing.

Financial Times: What prompted you to set up in business?

Ian Poulter: The opportunity came up in 2006 when a sponsorship deal ended and my new club deal with Cobra allowed me to wear the clothes I want to wear. I have always been a very opinionated person and I wanted to wear stylish clothes on the course that suit my personality and taste. And I like the freedom I have to create them.

FT: How involved are you with designs?

IP: I have a team of three designers based in Leighton Buzzard, which was my home town in England when my company, IJP Design, was

formed and I have always worked very closely with them.

FT: Your home is in the US rather than Leighton Buzzard. Does that affect your level of involvement in the designs?

IP: Not really. I may not be in the office as much as I was at the start of the business but when a new range is launched – and we have two, a spring/summer and an autumn/winter collection – each year, all designs come through me first to make sure I am happy with them.

FT: Many of the clothes are tartan. Why?

IP: Part of it goes back to the history and traditions of golf in Scotland but it is also very practical. All the tartans feature four colours so if someone buys three pairs of tartan trousers with the different colours in them they can find 12 shirts to match them.

FT: The golf clothing market is very competitive with most of the big club manufacturers having their own brands. Where have you pitched yours?

IP: I would say we are in the middle to high-end of the price market, aiming at the sort of golfers who go to country clubs.

FT: How successful is the brand?

IP: The turnover is around £4.5m a year and we are now employing 16 people fulltime.

FT: Where are the products made?

IP: Mainly in China but using the designs and quality of materials that we specify.

FT: Where are they sold?

IP: Mainly in the professional shops at golf clubs. We have 70 outlets in the UK, 50 in the US and around 100 in the rest of the world. We are in all the markets where we think we need to be but so far we are not in high street department stores.

FT: What is your main marketing vehicle?

IP: It’s me. I am the clotheshorse out on the course and the better I play the more people watch me out on the course and the more the clothes get exposure in front of the TV cameras.

FT: Do sales rise when you win a tournament?

IP: Yes, sales follow that pattern a lot, and my success in the Ryder Cup last year was a huge boost.

FT: So why have you not been playing much golf this year?

IP: I have

only played six tournaments to date but I have had a couple of top 10 finishes and should have done better at the Accenture Match Play, which is my strength in golf, but I lost in the semi-finals.

FT: That is not a lot of golf in four months

IP: I was very busy in the build-up to the Ryder Cup and after it there were a lot of big tournaments at the end of last year in places like China. At the end of them I felt I needed a break with my family.

FT: Are you going to play more golf this year?

IP: The rest of the year is going to be very busy as I try to qualify for the FedEx Cup series on the US Tour and the European Tour’s final series.

And then there are big tournaments at the end of the year, which qualify for next year’s US Money List and towards making the next European Ryder Cup to play at Gleneagles. So if

I can play well the clothes will be on TV a lot and I know that after a break I feel fresh and ready for the challenges ahead.

Picture: Ian Poulter



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