

3 Strategies for Marketing Golf Brands to Gen Z

INTRODUCTION:

Sparked by the pandemic-related restrictions, golf's popularity is soaring. In 2023, the total number of Americans who engaged with the game, whether it's playing, watching on TV, streaming related content, reading about the game, or following on social media, reached 123 million. The number of people who play golf on-course, off-course (simulators and ranges), or both, grew by 32% since 2019 (up to 45 million in 2023).

While participation has grown in all age segments, the steepest growth is among young Americans, particularly Generation Z. Comparing 2019 to 2023, the number of junior players (age 6-17) grew 40%, to a total of 3.5 million. Importantly, many of the young people taking up the game are female. Between 2020 and 2023, 820,000 females started playing on-course golf vs. 465,000 males.

So how can golf equipment and apparel brands capitalize on this opportunity?

3 STRATEGIES FOR MARKETING GOLF BRANDS TO GEN Z

Most of us have seen, heard or read about how Gen Z has embraced particular brands across product categories. Examples include Nike, Amazon, Chick-fil-A Restaurants, Crocs and Apple. Why are these brands winning with Gen Z? It's true that each of these brands are known for compelling advertising. But their success is not really a result of what they say to young customers. It's a result of what they do for young customers.

The most successful brands with Gen Z are creating new customer experiences:

- 1. Customer Personalization
- 2. Omnichannel Marketing
- 3. Authentic Brand Experiences

In the following pages, I'll outline *how* three of Gen Z's favorite brands, <u>Nike</u>, <u>Amazon</u> and the young challenger brand <u>Alo Yoga</u>, are delivering outstanding customer experiences.

My goal is to provide you with real, tactical examples that inspire you to develop compelling customer experiences for your brands.

STRATEGY #1 Customer Personalization

Personalization is a customer experience that a few golf equipment and apparel brands have already been dabbling in. But there is certainly a long way to go for many other golf brands.

"The trend toward customized wedges, putters, even irons and woods has been growing for years. TaylorMade and Callaway have created custom shops to personalize and modify their clubs, while smaller producers have leveraged social media to become the golf equivalent of boutique winemakers: expensive, sought-after and elusive." -Golf.com, August 11, 2020

What is driving the importance of Personalization for Gen Z?

Gen Z individuals are known for valuing their uniqueness and individuality.

Whether it's customizing clothing, accessories, or tech gadgets, personalization offers a way for them to stand out and showcase their personality.

More than prior generations, Gen Z individuals are willing to give up some privacy to have more personalized experiences. They want brands to:

- Enhance personalization through apps, allowing users to establish virtual closets/lockers, swipe to rate products, track when items have been worn, take quizzes about preferences and make Al-driven outfit/gear suggestions.
- Continue expanding customer input on colors and elements of design for custom and made-to-order products, by including fine art touches.
- Follow the lead of other successful Gen Z brands and offer limited / exclusive product drops.

DATA POINT:

84.3% of Gen Z and Millennials feel more encouraged to shop in stores with personalized in-store recommendations based on shopping history, versus 59% of Gen X and Boomers. -*The Great Generational Shopping Divide*, Near Intelligence, 2023.

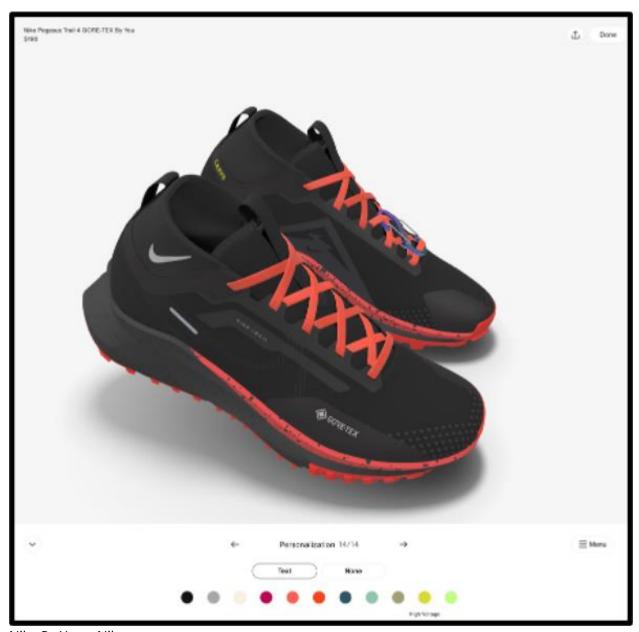
EXAMPLE BRAND:

Nike

In the last 4 years, Nike revenue has climbed 24% (2023 revenue reached \$51.5B). Nike remains the #1 preferred brand for all teens in both apparel (35%) and footwear (61%). <u>-Taking Stock With Teens Survey</u>, <u>Piper Sandler</u>, 2023.

One of the key reasons Nike is successful with Gen Z is because the company creates more personalized experiences. Here are some examples:

Nike By You: Any customer can customize products with the "Nike By You" functionality. Users are presented with a 3D render of shoes, where the color or material of 14 or more components can be modified (some with over a dozen choices) or removed entirely. And two words of alphanumeric text can be added as well.



Nike By You - Nike.com

Nike App: "Members" (customers) who download the app, have first and exclusive access to the newest footwear, apparel and accessories. The app tracks purchase history, provides loyalty rewards, and allows users to "follow" their favorite sports to further tailor the information they receive.

Personalized recommendations: The app also helps customers select products based on saved shoe size, height, weight and "Workout Info" data collected / integrated from Apple HealthKit and Android Google Fit. This information includes workout duration, calories burned, heart rate, distance run, pace, and more.

SNKRS App: The Nike SNKRS App is an extension of the Nike App, focused on bringing even more exclusive sneaker drops and benefits to users. With the app users can get notified when favorite shoes drop, see behind-the-scene stories, enter special drawings, reserve select sneakers with a SNKRS Pass, and keep an eye on the release calendar.

Run Club App: The Run Club app is dedicated to running with a goal of helping users enjoy running more. It can help users find a coach, find running partners (at a similar pace), and find events to compete in. It tracks the details of pace, location, distance, elevation, heart rate and mile splits. It also helps users set goals and provides recommendations on how to train to meet them.

Training Club App: Similar to the Run Club, the Training Club app helps to connect you with a community of trainers, health experts and other users. It also educates users on workout techniques, tracks user performance (integrating wearable/smart watch data) and offers guidance on recovery, diet and wellness habits.

STRATEGY #2: Omnichannel Marketing

By establishing customer accounts, (Team Titleist, MyTaylormade, Ping Nation, Callaway Rewards, etc.) golf equipment brands have made progress toward creating continuity between their online direct sales and specialty golf retail sales. But many challenges remain.

Specifically, many specialty retailers strive to maintain the relationship with the customers, and may not facilitate customer relationship-building with manufacturers. For example, bricks and mortar golf shops seeking to develop customer loyalty, may neglect to share information about manufacturer loyalty benefits. Those shops may also fail to relay valuable customer feedback about products and product returns, back to manufacturers.

What is driving the importance of Omnichannel Marketing for Gen Z?

Being digital natives who are largely dependent on their mobile devices, Gen Z, demand in-store and online experiences to reflect and complement each other seamlessly. They believe customers should be able to:

- Unlock exclusives and promotions that are accessible across all channels.
- Shop anywhere and have the product show up anywhere.
- Interact with customer service using private social messaging apps. (They are also more likely to choose digital, self-service customer service options than prior generations.)
- Use their phone to scan products and store this information in their account history.
- Use their phone to scan products for inventory information, feedback forms, customer service functions, product suggestions, and augmented reality (AR) functionality for product fitting.

DATA POINT:

Gen Z (62.7%) and Millennials (64.6%) are twice as likely as Boomers to use omnichannel approaches (32.9%), where shoppers used more than one channel in their purchase journey." *-The Great Generational Shopping Divide*, Near Intelligence, 2023.

EXAMPLE BRAND:

Amazon

Amazon has become the truly dominant retailer for Gen Z because of the ease and flexibility of interaction across channels.

55% of teens cite Amazon as their No. 1 favorite e-commerce site.

The next closest competitor is SHEIN, at 12%.

Nike is third, at 7%.

-Taking Stock With Teens Survey, Piper Sandler, 2023.

Like no other company, Amazon provides a seamless shopping experience across multiple channels:

- **Website**: including all of it's branded stores, and even car showrooms (Hyundai purchase capability coming soon)
- **Prime membership apps**: Video, Music, Reading, Gaming, and Now (1 hour delivery)
- **Kindle and Kindle App**: users can browse the book selection and download purchases.

- **Bricks & mortar**: Whole Foods Market, Amazon Go, Amazon Fresh, Amazon Books all can provide customer service and process product returns from any other channel.
- Amazon Lockers: a convenient pickup option.
- Voice commerce: Alexa enables shopping through Echo speakers and Fire TV.
- **Mobile Tools**: In-store code for unlocking Prime benefits, bar code scanning for product pricing and review information.



In Store Code - Amazon mobile app

STRATEGY #3:

Authentic Brand Experiences

Again, some golf equipment brands have dabbled in creating brand experiences for their customers, like special golf outings and events. But the key question for Gen Z is, do these customer experiences feel authentic to the vision of the company, or do they feel like marketing?

What is driving the importance of Authentic Brand Experiences for Gen Z?

Growing up in an age of virtual lives and social signaling, Gen Z craves authenticity. They reject brands (and individuals) who don't walk their talk. They expect brands to deliver on their mission not just in every advertisement but also in every marketing tactic, product, service and even within their corporate culture.

DATA POINT:

92% of Gen Z respondents reported that authenticity is more important than any other personal value tested, including: spending time on things that will help their futures, independence, changing the world, and being rich or famous. This measure climbed 16% from pre-pandemic levels. - Is Gen Z the spark we need to see the light?, Ernst & Young, 2021

EXAMPLE BRAND:

Alo Yoga

This young brand has had tremendous growth in recent years (2020 to 2022):

Alo Yoga: \$200M to \$1B (400%)* Lululemon: \$4.6B to \$7.5B (63%) Athleta: \$1B to \$1.5B (50%)

-Alo Yoga is beating Lululemon at its own game, Wall Street Journal, 2023

Gen Z's intention to purchase the brand has been climbing:

A recent survey among Gen Z, asked "Which brands are you most likely to buy athleisure wear from this year?"

Lululemon: 36% Athleta: 32% *Alo Yoga: 24%* Vuori: 17%

- Athleisure Wear Brands That Rank Among Gen Z, Civic Science, 2023

Alo Yoga has remained true to their founding vision.

Since the brand's founding in 2007, Alo has advocated "spreading mindful movement, inspiring wellness and creating community."

While Alo has expanded product offerings into other exercise domains including running and racquet sports attire, it has maintained a "yoga-first" approach to marketing.

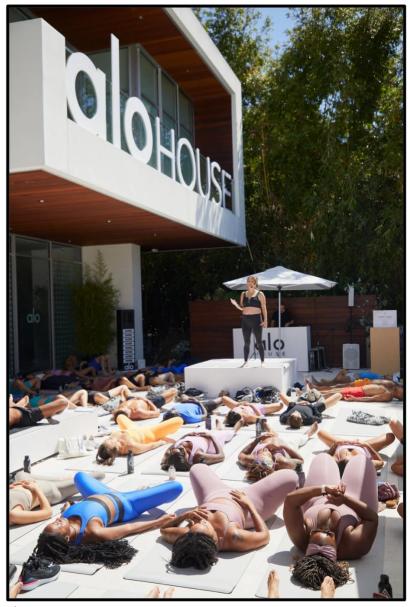
Alo has used digital channels to reach consumers and reinforce the brand vision with practical tools:

- **Video content**: Partnered with Scholastic to develop a program of free video programs on Yoga, mindfulness, meditation and creativity for kids in school.
- **Virtual tools**: Launched a virtual wellness studio on Roblox, called Sanctuary, which has had 55M visitors as of 2023.
- **Virtual Reality**: Debuted a VR shopping and wellness tutorial app for Meta Quest 2 headsets
- **Instagram and SMS marketing**: Alo's shoppable Instagram feed (3.4M followers), features content from both social influencers and microinfluencers. The posts are almost entirely focused on yoga.

Alo has built relationships with the community of Yoga practitioners and mindfulness influencers:

- Meetups: At scenic locations around their stores, the brand frequently hosts special events that include combinations of exercise, meditations, recovery routines, specialized food and beverages, and discussions about mindfulness.
- **Live Yoga classes**: Some of Alo's stores (called Sanctuaries) include studios for yoga classes and wellness café's.
- **Store events**: All stores periodically host social events that reach out to the community and educate visitors on different aspects of yoga and mindfulness.

- **Wellness HQ**: Alo's 80,000 square foot headquarters in LA is open to the community and features cold plunges, infrared saunas, cryo-chambers, a gym, a music studio and a podcast studio.
- **Alo House**: There's also Alo House, a mansion with pool and exercise facilities. Here the brand brings together community members and brand ambassadors for yoga classes and wellness activities.



Alo House

CONCLUSION:

ASSESS YOUR BRAND'S CURRENT GEN Z STRATEGY WITH THE FOLLOWING CHECK LIST

Does the company behind your brand...

Customer Personalization:

- Provide customers with the ability to create accounts that track all of their brand interactions, purchases, etc.
- Provide customers with the ability to contribute to the design of products and / or personalize the ones they purchase.
- Gather detailed feedback on product preferences while shopping and detailed feedback on purchased products.

Omnichannel Marketing:

- Provide online services or mobile tools (or both) that unlock additional benefits or services while in-store (e.g. QR code scanning).
- Provide in-store experiences that unlock benefits or services while online (e.g., onsite check-ins for special access, rewards, etc.)
- Provide customers with ability to interact with customer service using private social messaging apps.

Authentic Brand Experiences:

- Have a publicly-available, written vision/mission that explains how the company believes the world can be a better place for its customers.
- Have a corporate culture that is based in the same values as the vision/mission.
- Invest in the community of experts, influencers and enthusiastic customers, bringing them together for special events.

This article was the result of personal experiences and distillation of thousands of pages of published articles, trend reports and media content.

If you'd like to share your feedback or discuss any of these topics further, please contact Tom Neveril tom@storybrandconsulting.com

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Thank you.