 Owning and operating a miniature golf course can be a lucrative endeavor. Like any major business decision, it requires planning and research to ensure that it will be profitable. For that reason, the success of your miniature golf course begins long before you break ground on the first hole. Whether you are considering miniature golf as your first business venture or as an added attraction to your existing family entertainment center, there are essential steps that you must take to get your business started on the right foot.

**Doing Your Homework**

As a realistic business person, you will surely have done some of the important prep work. You have researched the right location for your course, making sure that it has high visibility, is easy to get to, and has adequate parking. You have visited other facilities, collecting brochures, observing and keeping notes on the best practices. You have attended seminars and trade shows to gain information essential to your business. You have even contacted miniature golf course design companies and evaluated their formulas and projections for income. You have spent many hours putting everything you have learned into your business plan.

Next comes the tough part – making arrangements to finance your project. Invariably, every lender you approach will be asking the same question: “How much income is the course expected to generate?” Answering that question is not simple. There are many factors that will influence your income projections. Operators are tempted to estimate by taking the total capacity of the course and then dividing by some percentage that may approximate the course’s likely capacity, i.e. 50%, 60% or even an optimistic 80%. Some operators factor in the number of rain days, seasonal events or other variables. Unfortunately, making income projections is not that simple. Understanding each variable and the role it plays in the total equation will help to provide more accurate and tangible financials for a lender.

**Key Pieces Of The Puzzle**

Historical industry data often hold the keys that lenders are looking for to help support projections. A variety of sources can provide solid, national numbers for businesses like bowling centers, fast food restaurants or activity centers. In contrast, miniature golf lacks the valid information on a national or even regional basis. Much of the information heretofore accessible to prospective miniature golf owners was of the hearsay variety. There could be talk of a miniature golf course in California which generated more than $300,000 annually,
or news of a retired owner who boasted his course brought in $200,000 in a good year. Basing your own projections on such unsubstantiated information won’t help your case with a lender. It is difficult to extrapolate a “gut instinct” into a realistic number, and even harder for you as a developer to engage in the kind of market research needed from potential customers. Entrepreneurs need the support of professionally quantified market research to make a strong case with lenders and unlock the funding necessary to start their business.

Fortunately, two firms have teamed up to fill the need for solid, national numbers relating specifically to the miniature golf industry. Sheryl Bindelglass, founder and president of SherylGolf, commissioned a national market study with Phoenix Marketing (PMI), an international firm specializing in the travel and entertainment industry. Together, the two firms developed a methodology to answer a specific client need and to collect broader data with national relevance regarding potential miniature golf customers and potential course revenue.

Researching The Market
SherylGolf and PMI carefully constructed a questionnaire which would obtain the data needed not only by SherylGolf’s client but that would also provide insight into national trends in miniature golf. The questionnaire was launched via e-mail utilizing PMI’s U.S. Household Online Panel, which consists of 2.5-million member households across the nation. The questionnaire took respondents an average of seven minutes to complete. The survey examined a number of consumer behavior topics, including:

- How many of rounds of miniature golf respondents played;
- How often respondents played;
- What price did respondents pay per round;
- What other activities did respondents engage in.

In addition, the project addressed numerous other aspects relative to the miniature golf industry. In about two month’s time, PMI had responses from 90,322 households, a 3.6% response rate, which is superior to the response rate from direct mail or other survey methods. Data collected was accurate to within

+ or – 1% nationally and + or – 5% regionally. The level of accuracy and statistical significance falls well within accepted parameters for valid research.

Some Statistical Tidbits
In broad terms, a demographic profile emerged of the typical miniature golf participant household: average income is $62,000; 53% are college graduates; median age is 37; and 56% of households have children under 18.

Other data of interest in the survey to a miniature golf developer: what types of food service do players wish to see on site? Well, number one was pizza (78%), followed by hamburgers and ice cream at 75%. Sandwiches and hot dogs were mentioned by more than two-thirds of respondents, and indicative of our health-conscious times, 65% wanted to see fresh fruit available, ahead of chicken, salad, tacos, vegetables, and yogurt.

The top alternative activities by more than half of miniature golf players in the past 12 months, according to the survey, were bowling, amusement park visits, and arcade games – information useful to smart operators wondering where they might market and reach potential customers through advertising, co-branding and the like.

Armed with the full report’s statistical data and a proprietary demographic/evaluation model, SherylGolf’s client was successful in attracting financial partners to fund his new miniature golf venture. The facility will feature 18 holes and a food and beverage outlet. The revenue and attendance projections extrapolated from the survey helped the client go beyond his “gut feel,” providing solid financials for his business plan.

Consumer research like the type conducted by SherylGolf and PMI offers potential minigolf owners and developers sound fiscal data that can add additional dollars to their bottom line and help gain a distinct advantage over their competition.

For the full research report on miniature golf, contact SherylGolf at (732) 302-4439, visit the website www.sherylgolf.com, or email sheryl@sherylgolf.com.