



TOPGOLF

**INTERNATIONAL
EXPANSION PLAN**

Neeley Corporation

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I. Executive Summary

The Neeley Corporation would like to propose to TopGolf a plan for further international expansion. The team understands that TopGolf Entertainment is currently expanding to locations in the UAE, Mexico, Canada, and Australia. The team proposes taking it one step further. The plan entails a two phase process involving growth to four new countries: Ireland, South Africa, Japan, and South Korea.

As the growth in technology makes travel and building relationships easier, some areas of the world contain markets willing to accept international brands that emphasize fun and relationship building. This is what the TopGolf brand positions itself as – a place for people to relax and have friendly competition with others via the globally recognized pastime that is golfing.

The expansion is set to expand to one new city per year, consecutively, beginning in 2020. The first new location will open in Dublin, followed by Johannesburg in 2021, Tokyo in 2022, and lastly Seoul in 2023. Each of these cities have been carefully chosen for brand expansion and favorability based on uniquely respective socio-geographical conditions.

Despite the expansion being divided into four sequential years, the plan as a whole is set to be in executed in two phases. These phases are meant to provide a distinction to management that a different market strategy will be needed, due to the stark difference between the first and last two countries. Ireland and South Africa have fairly Western customs that can easily be studied through one's own perceptual lenses, and they both have unique qualities that need to be considered, but at the very least a lingual barrier does not exist as a major obstacle.

Tokyo and Seoul on the other hand are vastly different even beyond the obvious language barrier. The two may have Western economies, but that does not necessarily translate to Western cultures and attitudes. Both of these countries and its citizens have a more collective-based culture that needs to be accounted for when marketing within them. The team has specified how to approach these new countries such as introducing new game modes and different foods.

In this report, Neeley Corporation will explain how TopGolf can effectively expand to these new locations without coming across as a company just willing to exploit new opportunities, but rather as a company that wants to bring new value and entertainment to golf players around the world.



II. Company Analysis

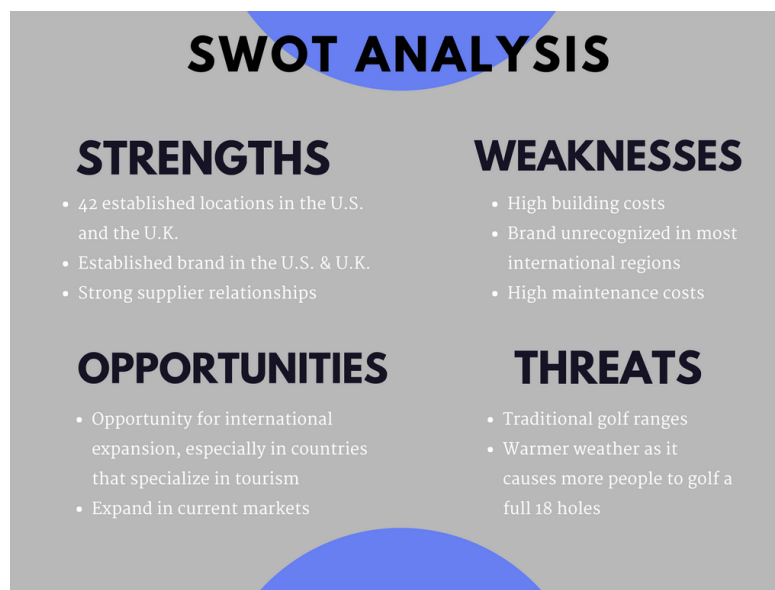
a. History

TopGolf is a sports entertainment company that was founded in 2000 by twin brothers, Steve and Dave Jolliffe. The idea emerged as they were practicing their swing on the driving range in the United Kingdom. They started to brainstorm how the experience could be enhanced and TopGolf was born. The TopGolf experience includes a driving range with targets and interactive golf balls that track both distance and accuracy of every hit. However, what differentiates TopGolf is its fun atmosphere for all ages with a full food and drink services.

They currently operate 42 venues in the United States and the United Kingdom and employ over 15,000 people. Annually, they serve over eight million visitors. In 2016, they reorganized their company into three divisions: TopGolf (U.S. and U.K.), TopGolf International and TopGolf Media (focusing on enhancing the digital experience and grow strategic partnerships). In the next year, they are looking to add 14 new venues in the United States and five new international venues in Australia, Canada, Mexico and the United Arab Emirates.

From a financial perspective, they have strong estimated annual revenues at about \$840 million. As they are not a public company, exact financial information is unavailable. Per facility, it is estimated that each TopGolf location makes about \$20 million each year, with 50% of the revenue coming from food and drink purchases. Facilities, however, are costly at about \$25 million each to build but TopGolf only leases the property for \$5 million.

b. Strengths and Weaknesses



c. Current Expansion & International Presence

Originally headquartered in the UK, TopGolf began to take on a national expansion approach only two years ago. These two years though have led to massive expansion and the company will soon be located in at least 27 states in the US. Since their founding in the UK, they have transferred their headquarters to the US and combined efforts targeting UK and US. They are

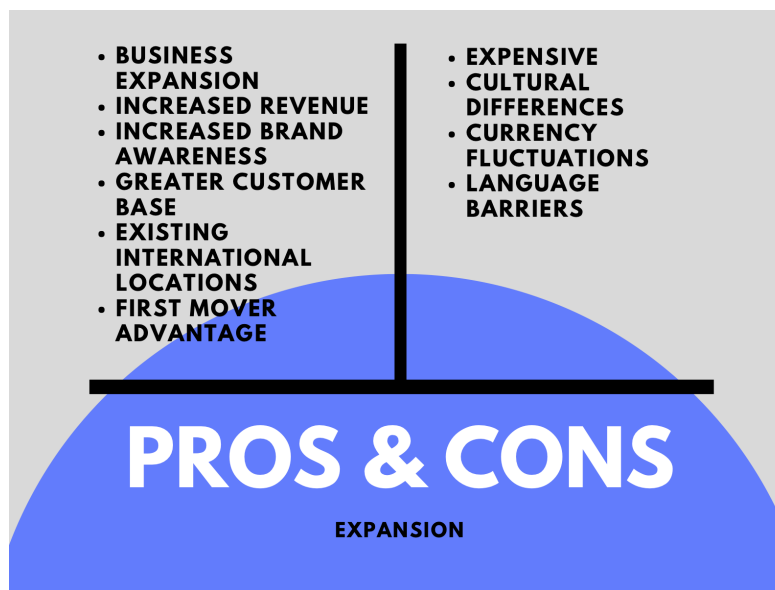


currently projected to expand to multiple countries including Australia, Canada, Mexico, and most recently, United Arab Emirates. They facilitate their development in the countries by finding existing golf organizations that the company can then partner with. An example of this is seen through TopGolf's project to open up a facility in the United Arab Emirates. This facility will be located in Dubai and the company will be partnering with Emirates Golf Club.

Another advantage that TopGolf has in the international segment is their International President. TopGolf hired Troy Warfield, who was previously the British Airways executive, as the president of TopGolf International. Troy Warfield has had a lot of experience with brand development and partnership activity. Tony will be able to develop the TopGolf brand so that it is ambidextrous and fits with any culture. He will also be able to establish partnerships that are economically beneficial to TopGolf since he has experience in this field.

One of TopGolf's major advantages for international business is their major acquisition. TopGolf Acquired Sweden-based Protracer which uses cameras and graphics to show the flight of the golf ball on a screen.

d. Expansion Pros & Cons



e. Recommendation

Based on the team's research, Neeley Corporation recommends that TopGolf pursues an international expansion plan in a series of two phases. Phase one will involve locations in Johannesburg, South Africa, and Dublin, Ireland. The second phase involves expansion into Tokyo, Japan, and Seoul, South Korea.



III. Marketing Strategy

a. Strategy Steps & Partners

Phase 1: South Africa & Ireland

Neeley Corporation's strategy for the first phase of international expansion is centered around pursuing countries that share the same native language as current TopGolf locations. By expanding into countries where the English language is spoken, the difficulty of overcoming a language barrier is eliminated. This results in numerous benefits for TopGolf, including cost savings. Since the company will not have to invest in translation experts for employee training and language conversion of marketing supplies such as informational signs, the company's expenses will be significantly lower.

As a part of the expansion, the team recommends that TopGolf seeks out a partnership with a local stakeholder in order to help promote the new location and work on developing a client base. GolfRSA is the unified body of the South African Golf Association and Women's Golf South Africa. They provide services to amateur golfers in South Africa. With a membership of over 139,000 golfers, the team believes that GolfRSA is a good option for partnership due to its strong potential of contributing to client base.

In Ireland, Neeley Corporation recommends partnering with the Confederation of Golf in Ireland (CGI). An additional 15,000 people have tried golf for the first time who otherwise would not have due to the efforts of CGI. The nonprofit was created by organizations including the PGA – one of TopGolf's current national partners – to help advance the sport of golf in Ireland. Due to TopGolf's existing partnership with the PGA, the team believes that this partnership will be fairly simple to establish and strategically advantageous.

Phase 2: Japan & South Korea

For the second phase of expansion, Neeley Corporation focused on countries where the economy is booming, and the popularity of golf is high. The team selected Japan and South Korea, as both countries are extremely westernized and are within close proximity to one another.

Westernization eases expansion into the country since many societal aspects have been adopted and will correlate with TopGolf's business model. Unlike the first phase, this portion of the expansion involves embracing new languages. The team tackled this challenge using proximity. The two countries are located in East Asia, only separated by the Sea of Japan. As a result of their proximity, the Korean language is closely related to Japanese and often contains similar expressions. Also, due to westernization, various English expressions have been embraced by both languages. These similarities will ease TopGolf's transition into the country.

TopGolf's expansion into Asia presents an opportunity for global partnerships. The team recommends pursuing a partnership with MIZUNO, the popular sports equipment and apparel company. MIZUNO is a Japanese company and is headquartered in Tokyo. According to the company's Quarterly Financial Report as of February 6, 2018, Japanese revenue accounted for 91 billion yen compared to the Americas' 16.6 billion, effectively reflecting the drastic difference in popularity of the company in Japan versus the United States. Through pairing with MIZUNO, TopGolf can capitalize on the company's predominant popularity and existing customer base.



b. The Market:

South Africa

- **Climate:**
South Africa's climate is mostly semiarid but subtropical along the east coast. They tend to have sunny days and cool nights. South Africa experiences their highest average rainfall during the month of January at 67.3 mm and their lowest average rainfall during the month of July at 12.6 mm. The country's highest average temperature takes place during the month of January at 73 degrees Fahrenheit, while the lowest average occurs during July at 52 degrees Fahrenheit.
- **Geography:**
South Africa is made up of a vast interior plateau. Hills and coastal plains surround this plateau. South Africa completely surrounds Lesotho and almost surrounds all of Swaziland.
- **Government:**
The political structure of South Africa is a parliamentary republic. This means that the executive branch of government relies upon the legislature or parliament.
- **Economy:**
South Africa has one of the largest stock exchanges in the world. The country has strong financial, legal, communications, energy, and transportation sectors. The unemployment rate is one of the highest in the world. The country is seeking job growth and education at affordable prices. Companies headquartered in South Africa include SABMiller, MTN, and Naspers.
- **Other:**
The golf industry in South Africa is continuing to increase. One of the reasons the industry is continuing to grow is due to the use of virtual golf experiences rather than golf courses. The tourist industry is also a main reason golf remains popular in South Africa.

	POPULATION	54,841,552	
	# OF GOLFERS IGF REGISTERED	158,231	
	# OF GOLF FACILITIES	512	
	MEDIAN AGE	27 YRS OLD	
	% OF POPULATION BETWEEN 15 & 24	17.61%	
	% OF POPULATION BETWEEN 25 & 54	41.78%	
	% OF URBAN POPULATION	65.8%	
	GDP PER CAPITA	5,273.59 USD	
	OBESITY RATE	26.80%	



Ireland

- **Climate:**
The climate of Ireland is temperate maritime. This means that they have mild winters and cool summers. It is usually humid and overcast throughout the year. Ireland experiences their highest average rainfall in the month of December at 123.9 mm and experience their lowest average rainfall in July at 69.6 mm. Their highest average temperature occurs in the month of July at 58.3 degrees Fahrenheit. Their lowest average temperature occurs in the month of January at 40.6 degrees Fahrenheit.
- **Geography:**
Ireland is mostly flat and made up of interior plains. There are some hills and low mountains throughout the country and sea cliffs are located on the west coast. There are major air and sea routes that pass-through Ireland because of their ideal geographic location.
- **Government:**
The political structure of Ireland is a parliamentary republic. This means that the executive branch of government relies upon the legislature or parliament.
- **Economy:**
Ireland has a trade-dependent economy. Ireland used to operate at a very high deficit but in the 2010's they were able to recover from this issue. Ireland has a low corporation tax of 12.5%, which provides incentives for companies to establish headquarters in Ireland. Companies that have headquarters in Ireland include Johnson & Johnson, Pfizer, Novartis, and Bayer.
- **Other:**
In Ireland golf participation rates are falling, but golf remains a popular sport in Ireland. Analysts believe that if golf fit better with modern lifestyle that it would regain popularity in Ireland. Ireland launched a National Physical Activity Plan in 2016. The government surveyed the population and found that 63% of the sample wants to be more active than they currently are.

	POPULATION	5,011,102	
	# OF GOLFERS IGF REGISTERED	208,130	
	# OF GOLF FACILITIES	472	
	MEDIAN AGE	37 YRS OLD	
	% OF POPULATION BETWEEN 15 & 24	11.84%	
	% OF POPULATION BETWEEN 25 & 54	43.2%	
	% OF URBAN POPULATION	64%	
	GDP PER CAPITA	61,606.48 USD	
	OBESITY RATE	25.60%	



Japan

- **Climate:**
The climate in Japan is classified as tropical in the south and cool temperate in the north. The highest average rainfall occurs in the month of July at 222.7 mm. The lowest average rainfall occurs in February at 69.2 mm. During the summer the temperature can get up to 74.3 degrees Fahrenheit, while during the winter the temperature can drop to 31.64 degrees Fahrenheit. Japan is susceptible to tsunamis.
- **Geography:**
A majority of Japan is coastline since the country is an island. Japan has many volcanoes spread throughout the island. A lot of Japan is rugged and mountainous.
- **Government:**
The government of Japan is a parliamentary constitutional monarchy. This means that there is a monarch that shares power with a constitutionally organized parliament.
- **Economy:**
Since 2008 the economy has fallen into recession four times. Prime Minister Abe has helped the economy grow since 2013 by instituting his “Three Arrows” agenda. This program focuses on monetary easing, flexible fiscal policy, and a reform on structure. Companies headquartered in Japan include Toyota, Nissan, and Mitsubishi.
- **Other:**
The popularity of golf has been on a decline since the 1980’s due to their economy collapsing and membership fees. Since the economy collapsed people no longer did business transactions over a round of golf. Public courses in Japan that do not require hefty membership fees are remaining popular though. Despite all this, Japan does have the highest number of golf courses in all of Asia.

POPULATION	126,451,398
# OF GOLFERS IGF REGISTERED	13,166,000
# OF GOLF FACILITIES	2,349
MEDIAN AGE	47.3 YRS OLD
% OF POPULATION BETWEEN 15 & 24	9.64%
% OF POPULATION BETWEEN 25 & 54	37.5%
% OF URBAN POPULATION	94.3%
GDP PER CAPITA	38,894.47 USD
OBESITY RATE	3.30%



South Korea

- **Climate:**
The climate of South Korea is temperate with more rainfall in the summer than winter. They tend to experience cold winters. The highest average rainfall occurs in the month of July at 263.3 mm. The lowest average rainfall occurs in January at 12.1 mm. During the month of July South Korea experiences their highest average temperature at 70 degrees Fahrenheit. The country experiences their lowest temperature during the month of January at 11.5 degrees Fahrenheit.
- **Geography:**
South Korea is made up of hills and mountains, but they do have coastal plains in the west and south. South Korea is also susceptible to typhoons that can bring flooding.
- **Government:**
The political structure of South Korea is a presidential republic. This means that their leaders are elected by the people of South Korea. They are within close proximity to North Korea who is known for being politically tumultuous.
- **Economy:**
South Korea's economy is worth trillions of dollars. They promote importation for manufacturing end products that they export. After the Asian financial crisis of 1997-98, South Korea implemented economic reforms that allowed the company to recover quickly. Companies headquartered in South Korea include Samsung, Hyundai, and KIA.
- **Other:**
South Korea is growing in the golf industry and lies just behind the US and Japan as the third leader. They currently spend about \$13 billion a year on golf and their percentage of golf fans has grown past ten percent.

	POPULATION	51,181,299	
	# OF GOLFERS IGF REGISTERED	11,300	
	# OF GOLF FACILITIES	447	
	MEDIAN AGE	41.8 YRS OLD	
	% OF POPULATION BETWEEN 15 & 24	12.66%	
	% OF POPULATION BETWEEN 25 & 54	45.52%	
	% OF URBAN POPULATION	82.7%	
	GDP PER CAPITA	27,538.81 USD	
	OBESITY RATE	5.80%	

c. Description of Target Market

After analyzing all of the available information regarding these countries' climate, geography, economy, and demographic information the team has determined an appropriate group of individuals to market TopGolf to. The target market chosen is men and women from the ages of



18-35. Both genders enjoy golf and people of all ages are capable and able to either play golf at TopGolf or sit and socialize with others who are actually playing the sport. This is a large target age range because TopGolf can be used for both business and leisure.

Neeley Corporation is also targeting fit and active individuals that will want to physically golf. This is why it is important to take into account the obesity rate to ensure each country has a community of active individuals. The climate of the country could be a barrier to enter the market. However, TopGolf installs fans and heaters above the golfing bays to combat all different kinds of weather conditions. Also, rain is not an issue as it could be on golf courses and driving ranges. This is because TopGolf is completely covered except for the holes themselves, and customers do not have to retrieve their own golf balls.

The geography of the countries in which the team recommends expanding into is something to keep in mind. This is important because when building a TopGolf, the ground must be able to provide a stable foundation for the building. In countries that are prone to natural disasters, the building structure of TopGolf will be built to withstand these weather variables. For example, in Japan, where tsunamis are prevalent, this will be taken into account when building in that country. The location preferences have been chosen based on the data collected to determine this target market criteria.

d. Product Strategy

TopGolf brands itself as a recreation sport entertainment facility centered around the Gamification of the driving range. Since its advent nearly 16 years ago in the UK however, TopGolf management has increased the bang for a consumer's buck. Via the placement of microchips in each golf ball, players can see how far they hit as well as measure their accuracy by aiming for dartboard-like targets on the outfield. This of course makes competition among friends possible, and multiple game types to be possible.

Up to six people can be allotted per driving bay (similar to bowling), however TopGolf does allow for parties larger than six to make reservations for special events. With newer technology, each ball can now be uniquely assigned to each player's name, making for a more organized rotation and ranking of players. Each game consists of 20 balls per person and can be hit in any amount chosen by the group; customers can hit two per turn or even all 20.

Players can choose a total of five game modes currently:

1. TopGolf: The signature game that allows players to aim for any target on the green, getting points in correlation to both their accuracy and distance.
2. TopBreak: A game based on snooker, players first aim for the red target followed by other colored targets, each with different point rewards.
3. TopChip: A game where the designated colored target changes, hitting the correct one increases points while hitting the wrong one decreases points.
4. TopShot: Similar to TopChip, only each round increases the distance needed to be shot to hit colored targets.
5. TopPressure: This game involves hitting nine sections within one target; once completed, the player goes on to higher levels involving further targets.



However Top Golf has evolved from that original core, location's now offer additional services such as food and drinks (including alcohol), arcades, golf lessons for beginners, summer academies for kids, and even swimming pools at some more affluent locations.

This service however cannot be simply copy and pasted into each new city, cultural barriers exist that will need to be accounted for if TopGolf wants to achieve maximum customer satisfaction potential. Below are some suggestions for how to assimilate to each city's cultural attitudes: As mentioned previously, local pub culture is very strong in Ireland and especially Dublin. With that being the case, the team recommends outfitting the bar area of the building to appear more local and traditional as opposed to a modern and futuristic bar. In hand with this, the team also proposes the focus on selling either Guinness beverages or popular local brews in order to maintain the atmosphere of the surrounding area.

Johannesburg offers a different obstacle, the city is a tourist hub for the entire continent, thousands of Brits and Americans visit the city yearly. That said, it may be most satisfactory to those customers if management were to serve local dishes that are already seen to be popular amongst this touring demographic as well as Johannesburg residents. An example could be the serving of Braai, a traditional Zulu dish that involves the chef cooking various meats over an open flame on display for the public.

Moving to the East for Phase 2 of the plan, subtler cultural differences will need to be accounted for. In Japan and Tokyo specifically, a more collective attitude exists about life and reaching goals in general. To be in sync with this, the team suggests a sixth game mode to be introduced only to this location. The team currently has the game dubbed as "TopTeam", what it involves is a team-based effort in order to win the game, as opposed to a free-for-all. The players would still take turns in rotation, but the gist of the game is that the team tries to gain as many points as possible measured by accuracy and distance. This would succeed at giving customers an option to not pit themselves against one another, but to work together and strengthen their bonds. Perhaps a permanent leader can be on display showing the Top ten teams of all time or breaking certain point thresholds would grant the team different levels of prizes such as free meals or a discount for their next visit. Apart from the gameplay here, it would also be beneficial to serve Japanese dishes such as a grab-and-go sushi bar and a hibachi grill.

And lastly, the team has chosen Seoul in South Korea, a city with similar to collective attitudes to Japan, but also a heavy focus on family and children. With that in mind, the team recommends having family lessons and introducing a summer academy for kids similar to what the US has. And as expected, the food served should cater to Korean tastes. It should also be noted however that Seoul is in proximity to the Yongsan US Army garrison, so perhaps it would be advantageous to cater to their needs as well should they want a taste of home while on duty.

e. Pricing

The pricing objective is to gain \$20,000,000 annual sales from each country TopGolf expands to. In order to achieve this objective, the team recommend TopGolf implement a pricing strategy that is differentiated for each country individually. This should be easily implemented as they already have differentiated pricing. In the U.S., TopGolf pricing includes a \$5 one-time



membership fee per player and games are played for per six-person bay instead of per person. The price per bay, per game varies depending on time of day. In the U.K., customers pay per person and can choose to either play per game, get a 30-day membership card or get a lifetime membership card with four free games. They also have discounted prices for people under the age of 16. They also sometimes differentiate by city. TopGolf tends to charge more in a facility in a tourist-heavy area, such as Las Vegas, or a luxury facility.

South Africa

The average annual income in South Africa is 210,000 rands, once adjusted translates to \$36,180. In the U.S., the average annual income is approximately \$45,000 which is about \$10,000 greater than the population of South Africa. Although they have less disposable income, the culture of South Africa rates high in indulgence, suggesting residents are willing to spend money on leisure and social life. Neeley Corporation recommends that TopGolf considers opening facilities in the Johannesburg and Cape Town. The team considered the following disposable income and consumer behavior information:

CITY	DISPOSABLE INCOME (MONTHLY)	% DISPOSABLE INCOME SPENT ON SPORTS & LEISURE	INCOME ALLOCATED TO SPORTS & LEISURE	INCOME ALLOCATED TO RESTAURANTS	% DISPOSABLE INCOME SPENT ON RESTAURANTS
JOHANNESBURG	R 19,651 (\$3400)	6%	R 1179 (\$204)	R 2692 (\$466)	13.7%
CAPE TOWN	R 17,350 (\$3000)	6%	R 1041 (\$180)	R 2186 (\$378)	12.6%

Based on the following information, first, a 15% decrease in pricing is recommended, causing pricing to lower from \$6 average price per game to \$5.10 (61.60 rand). The team also recommends they charge per person per hour. It is suggested that consumers in South Africa often are relaxed and do not have a strong sense of promptness. Therefore, they are more likely to stay at TopGolf longer so paying hourly would help TopGolf retain maximum profits without having to pressure customers to leave early to open up bays for new customers.

Ireland

The average annual salary in Ireland is approximately 45,075 EUR (\$) making the average monthly salary to be 3,756 EUR (\$). 55% of the population is between the ages of 15 and 55, a perfect demographic for TopGolf. Neeley Corporation has recommended that TopGolf opens their first facility in Dublin, Ireland. Dublin holds about one third of the population in Ireland and one third of the Dublin population holds a higher education degree which suggests they have above-average income levels. Purchasing behavior was also considered:



SPENDING ACTIVITY	% OF DISPOSABLE INCOME	MONTHLY SPENDING
FOOD	10.2%	383 EUR (\$475)
ALCOHOLIC BEVERAGES	5.7%	214 EUR (\$265)
RECREATION	7.2%	270 EUR (\$335)
TOTAL	23.1%	868 EUR (\$1075)

As demonstrated above, consumers in Ireland are willing to spend approximately a fourth of their monthly disposable income on food, alcoholic beverages and recreation activities. As many of these activities are participated in social groups, Neeley Corporation recommends that TopGolf pursues a similar pricing strategy as the U.S. where customers pay per bay instead of per person. The team recommends that they charge a constant fee of 40 EUR per six-person bay (6.67 EUR per person) per game. This is slightly higher pricing than in the U.S. as those living in Dublin are projected to have more disposable income and have a higher willingness to spend the disposable income on services TopGolf provides.

Japan

The average annual salary in Japan is 4,420,000 yen (\$41,302), making the average monthly salary in Japan 368,333 yen (\$3,441). 47% of the population is between 15-55 years old and 94% live in an urban area such as Tokyo. The team recommends that TopGolf opens their first Japan facility in Tokyo, as it is one of the most populated cities in the world. Consumer spending habits have consistently been growing since the financial crisis beginning in 1992 and lasting until approximately 2010 as the “Lost Score”. Culturally, they enjoy being out late with friends with one popular activity being karaoke.

	MONTHLY INCOME	% OF DISPOSABLE INCOME	CONSUMER SPENDING
FOOD & DRINK	368,333 (\$3,441)	13.9%	51,200 YEN (\$478)
RECREATION	368,333 (\$3,441)	9.8%	36,100 YEN (\$337)
TOTAL		23.7%	87,300 YEN (\$815)

As disposable income is similar to that of the U.S. and consumer spending is rising, the team recommends that the price per player per game is relatively aligned with that of the U.S. Additionally, as most golf venues in Japan require membership, it is recommended that TopGolf



prices are determined by membership. The team recommends TopGolf charges 5350 yen (\$50) for a 30-day membership which includes eight games that members. Members may reserve a game online 24 hours before they intend to come in. A 1070 yen (\$10) cancellation fee will be enforced. TopGolf should charge 6420 yen (\$60) per month for a “TopGolfer” subscription membership which includes unlimited number of games. Members, again, may reserve a game online 24 hours before they intend to come in and a 1070 yen (\$10) cancellation fee will be enforced.

South Korea

The average annual salary in Seoul, South Korea is 53,000,000 KRW (\$49,000), therefore 4,416,667 (\$4,140) as a monthly salary. The team recommends TopGolf opens a South Korea facility in Seoul, as it is a hub for technological advancement and contains about 46% of the total population. Consumers in South Korea tend to care about brand names, especially luxury goods. They are also highly tech-savvy and are willing to spend money on the latest and greatest technological advancements. This suggests TopGolf’s high technological standard would be beneficial in this market. Neeley Corporation has considered the following purchase behavior:

	MONTHLY INCOME	% OF DISPOSABLE INCOME	CONSUMER SPENDING
FOOD & DRINK	4,416,667 (\$4,140)	13.4%	591,833 (\$566)
RECREATION	4,416,667 (\$4,140)	7.7%	340,083 (\$320)
TOTAL		21.1%	931,916 (\$866)

As consumers in South Korea have more disposable income allocated to food and recreation and their strong attitudes towards brand names and luxury, it is recommended that TopGolf prices their South Korea facility at a premium to demonstrate luxury status. South Korea is a collectivist the team recommends TopGolf prices by six-person bay at 100,000 KRW (about \$100). If the bay were filled with six people, it would cost about 16,667 KRW (\$16) per person.

f. Place & Distribution

After researching where TopGolf’s current stores are located around the world, the team has found some similarities and patterns between the different countries and cities that TopGolf has expanded to. TopGolf primarily opens their stores in highly populated areas within countries and U.S. states. For example, the TopGolf location in Cancun, Mexico is a largely known for its tourists, and the Gold Coast of Queensland, Australia location is known for a variety of theme parks including Sea World and Warner Bros. Movie World, which bring in civilian traffic.

When looking at the three TopGolf locations within the United Kingdom (Essex- Chigwell, Herts-Watford, and Surrey-Surrey) the team noticed that each location had similar socio



economic backgrounds. The United Kingdom locations share statistics including the majority of civilians having a high education level with high occupation rankings, these three cities also generate a large amount of gross value added (GVA), contributing to their strong economies. TopGolf tends to choose cities and neighborhoods with high population densities, however, the Essex-Chigwell location within the UK only has a population of 12,500 compared to the much higher populations in the other UK locations. After reading more into the Essex location, it became evident that despite the smaller population, it is generally considered to be an area of wealthy citizens.

Johannesburg, South Africa

After researching the main neighborhoods in Johannesburg, the best option for opening a TopGolf location is within the Braamfontein district, located within the Greater Johannesburg Metropolitan Area. This location aligns the best with TopGolf's target market in regard to its demographics other location characteristics. Braamfontein is a central suburb of Johannesburg and is home to a number of major South African corporations, and a growing number of residential apartments. Braamfontein is also known for having the Nelson Mandela Bridge which connects to the City Centre of Johannesburg. Braamfontein is known for its diverse arts and culture, eateries and bars, all of which bring in a lot of traffic from civilians and tourists.

Dublin, Ireland

The team analyzed several neighborhood areas within Dublin and decided that the most ideal TopGolf location would be within the City Centre of Dublin. The City Centre seems to be the best fit for TopGolf considering its numerous pubs, clubs and shopping centers. This area within Dublin is very welcoming of incoming entertainment and tourism, a place where a new TopGolf location would prosper.

Tokyo, Japan

The team decided that the most ideal place to open a new TopGolf location in Tokyo, Japan would be within the Ebisu district. The Ebisu area is known for its wealth, office skyscrapers, high end shopping malls, restaurants, museums and hotels. The neighborhood is built around a former Japanese beer brewing company, that is now known for its popular Yebisu Beer Museum. The Ebisu neighborhood presents a promising location for TopGolf to thrive and offer a new type of entertainment for this stylish and bustling area.

Seoul, South Korea

Seoul, South Korea offers many opportunistic locations for a TopGolf location. The top three areas within Seoul that sparked the team's attention were Itaewon, Jamsil, and Gangnam. However, after researching each neighborhood the team decided that the best choice for TopGolf would be within the Jamsil area. Jamsil already has a crowd of people who are looking for entertainment. Jamsil is home to the Lotte World amusement park, which attracts a wide array of citizens and tourists.

The Jamsil area is also known for the Charlotte Theater, which puts on different musical and play productions. Seokchon Lake is also located in Jamsil and overlooks the famous Olympic Park. Jamsil is a great opportunity for TopGolf to emerge as a new form of entertainment.



TopGolf in Seoul will serve as a fun activity and place to relax and enjoy cuisine for the popular and trendy area of Jamsil.

g. Promotional Strategy

Phase 1: South Africa & Ireland

South Africa is a hub of African tourism. TopGolf would be a familiar name that tourists would recognize and visit while during their time in South Africa. A way to promote TopGolf to tourists would be to make deals with companies that make vacation packages that would include TopGolf into the package.

Something that has been evident throughout history and Irish holidays, like St. Patrick's Day, is the fact that people from Ireland like to drink alcohol. TopGolf's huge bar has a large variety of drinks that would make any Irish man or woman very happy. The best way to promote this new TopGolf location would be to conform to Irish culture and embrace the alcoholic beverages served while playing golf.

Phase 2: Japan & South Korea

In Japan, it is very expensive to play golf. Whether it is on a golf course or a driving range, prices are very high and is only targeted to the upper class. TopGolf can change that with their pricing. Promotion in Japan will be focused on the lower pricing compared to normal golf courses. This will get more of the population of Japan included in the game of golf.

Family is a huge part of South Korean culture. TopGolf is a great place to go have fun with the entire family, therefore promotional strategies in South Korea will be targeted to the family demographic. Emphasize TopGolf's group deals and packages to show that everyone in the family is welcome at this new TopGolf International location.

IV. Expansion Countries

a. Demographics & Norms

South Africa

The first phase includes expanding TopGolf to two countries, including South Africa and Ireland. South Africa is the southernmost country on the African continent. Since the legal ending of the Apartheid (a policy that governed relations between white and non-white civilians and segregated the two races with economic and political discrimination against non-whites) in 1994, South Africa has been one of the top traveler destinations. A large part of its history is based on the official legal system of the Apartheid, which enabled the government to enforce segregation between the white and non-white population. The segregation impacted all forms of life and resulted in the creation of three nations, one of whites, one of blacks and one of a mixed race.

The government was eventually forced to begin appealing apartheid laws which led to universal suffrage and a true electoral democracy to arise. Nelson Mandela became the new South African president. Since this transition, the country has quickly and positively progressed and has promoted social equity.



The cities of Pretoria, Cape Town and Bloemfontein all serve as capitals, executive, legislative and judicial. The center of commerce is in Johannesburg, which is the largest city in South Africa. South Africa has a mixed economy and thrives on its fertile agriculture, minerals and tourist attractions. However, since recovering from the Apartheid, South Africa still faces some troubles with social tranquility.

South Africa is bordered by the Atlantic Ocean and the Indian Ocean. The country is divided into three primary geographical regions, an expansive central plateau (which covers about two thirds of the country), the mountain ranges surrounding the plateau, and a narrow strip of low-lying land around the coast.

South Africa's land area is over 470,00 square miles, with its highest point of altitude reaching 11,320 feet. The climate conditions in South Africa are generally Mediterranean, temperate and subtropical depending on what corner of the country you are at. The country is known for its warm, sunny days and cool nights.

Ireland

The second country in the phase one expansion is Ireland. Ireland is located in Western Europe and faces a large expanse of the Atlantic Ocean. The total area of Ireland is 32,595 square miles and is a part of the British Isles. The country is known for its prevalent grasslands, low geographic plains surrounded by coastal mountains. Its Western coastline is rugged, consisting of many islands. It has a 224 mile long river called River Shannon.

Up until 1922, Ireland was a part of the United Kingdom, until it became a free state in the British Empire. In 1937 it gained independence but remained a part of the British Commonwealth until 1948, later joining the European Union in 1987. The Republic of Ireland holds jurisdiction over five sixths of the island, and the remaining one sixth, Northern Ireland, is governed by the United Kingdom. Ireland is divided into four provinces and thirty-two counties. The capital of Ireland is Dublin, which is home to more than a fourth of the country's population. Ireland has been urbanized but it still holds onto its rich folklore culture and social traditions from its rural past.

The climate of Ireland can be defined as a temperate oceanic climate, known for ample rainfall and relatively warm summers and mildly cold winters. The coast line remains free of ice during the winter due to the North Atlantic current. Ireland is typically not known for extreme weather, except for its Eastern moving cyclones from the North Atlantic. The country is known for its low-lying fertile central plain, which has many lakes, bogs and low ridges. The central plain is surrounded by small mountains and hills with varying geological structure. Of the country's many rivers, River Shannon is the longest and its area covers one fifth of the island, dividing the East from the West.

Ireland is known for its traditional folk music and Irish dancing. The culture of Ireland is divided by religion and language, due to the inflow of immigrants from around the world making up its population. English is the most popular language spoken in Ireland today, but a large number of people still speak the Native Gaelic dialect. Ireland still has a big agriculture and farming



industry present. Although, modern culture has dominated much of the urban areas of Ireland, its traditional culture can still be found in festivals and other areas across the country.

Japan

The second phase of expansion includes locations in two additional countries, including Japan and South Korea. The first attempts at political unification of Japan occurred in the 4th and 5th centuries C.E. and then in the 8th century the first great civilization was developed. Following the 12th century, military rulers dominated the country resulting in a world isolation from the 17th to 19th century. After this period, contact with the West brought about extraordinary change. The country saw value in modernizing and sought to become industrialized. The country pursued the acquisition of Korea and China, but by 1941 this caused conflict with the U.S. and ultimately lead to their defeat in WWII. Following, the Japanese Constitution was drafted in 1947 which abolished militarist government. The country - a constitutional monarchy - is now based on the constitution that specifies the separation of powers between executive, legislative, and judicial branches. Prior to the war, Japan's economy grew exponentially and is now at the forefront of global manufacturing, trade, and finance.

The country is made up of a string of islands located of the eastern coast of Asia in the Pacific Ocean. Though the country is made up of over 6,000 islands, there four main islands that take up the majority of the country's land mass. From largest to smallest these include Honshu, Hokkaido, Kyushu, and Shikoku. Tokyo, the nation's capital and eighth most populated city in the world, is located in central Honshu.

The Japanese landscape includes an abundant number of mountains and even active and dormant volcanoes. The country is often recognized for Mount Fuji, a volcano with an elevation of over 12,300 feet. Japan experiences large amounts of precipitation coupled with mild temperatures resulting in lush surrounding vegetation. The country's climate varies depending on the area and island. The country experiences four distinct seasons but is also affected by exposure to typhoons and rainy seasons.

Early contact with China and Korea resulted in the dissemination of various cultural practices including the Chinese writing system, Buddhism, and various artistic methods. The Japanese population is ethnically homogeneous and concentrated in low-lying coastal areas. An overarching theme throughout all aspects of Japanese culture is that there is an underlying tension between tradition and innovation. As a world leader in economic and technological advances since 1950, the Japanese place heavy emphasis on education and have one of the most literate populations in the world.

South Korea

Settled between the other two countries in phase two of the plan, South Korea is the final country in TopGolf's international expansion. The capital of South Korea is Seoul. To the North, South Korea neighbors North Korea. The border is a demilitarized zone that was a result of the 1953 truce that ended the Korean War. South Korea has a centralized government and primarily operates at the national level.

The country's coastlines along the Yellow Sea and Sea of Japan mainly consist of large plains,



but the majority of the country is made up of hills and mountains. South Korea's climate is influenced by the large Asian landmass to the West resulting in temperature extremes similar to those of China. Classified as a peninsula, the country is also subject to monsoons and precipitation patterns in the June - August months.

The Korean language has been adopted across both Koreas and has a relationship with the Japanese language and contains Chinese expressions. Additionally, various English phrases have been embraced by the language. Similar languages will benefit and ease the transition of translation for TopGolf's expansion into the country.

The South Korean economy has made leaps and bounds since the mid 20th century. Its transformation from an agricultural society to a highly industrialized nation has resulted in massive growth in exports and skilled labor. These improvements have been fostered by government support and a strategy focused on targeting specific industries for development including textiles, iron, steel, and chemicals, followed by high-tech electronics and IT.

b. Country's Economic Level

Phase 1 Countries:

The country of South Africa has the second largest economy on the continent of Africa. The economy is highly developed, and the infrastructure is very advanced. The country accounts for 35% of the continent's GDP. The economy in the country of Ireland is highly developed. Ireland is ranked as the world's sixth most "economically free" countries. Economic freedom meaning the ability of people of a society to take economic action. Both the economies of South Africa and Ireland will be able to sustain the prices of TopGolf and meet the target market description.

Phase 2 Countries:

The overall economy of Japan is very market-oriented and highly developed. It is the third largest in the world by nominal GDP and is the world's 2nd largest developed country. Another fast-growing economy is South Korea's. South Korea is one of the most highly regarded countries in the world when it comes to sustained growth and development. Over the past few decades, South Korea's economy has become well developed. Both the economies of Japan and South Korea will be able to sustain the prices of TopGolf and meet the target market description.

V. Implementation

Neeley Corporation proposes that TopGolf divides this expansion into four phases beginning in 2020. With consideration to the current expansions in Dubai, Mexico, Canada, and Australia, Neeley Corporation suggests dividing the expansion plan across four years. One of TopGolf's strengths is having an international presence, but they lack brand awareness in many countries. This plan will allow TGE to focus on current developments as well as allocate one year to each of the proposed new markets. This plan also allows the company to recover any costs related to building before diving into a new investment.

The team prioritized the countries based on the company's current international reach and business engagements. It was determined that if TopGolf continued to expand into primarily English speaking countries at the beginning that the company can focus on their facility in



Mexico and Dubai. Once the company has established these locations and gained experience in markets involving another language, then they can better focus their attentions on expanding into Asia.

Below is a basic timeline of the proposed four phases:



a. Customer Estimates

To determine the customer expectations in each location, the team organized the countries in a hierarchy based on the popularity of golf. Neeley Corporation based the hierarchy off of both the number of IGF registered golfers and the number of courses. Once a hierarchy for the popularity of golf in each country was established, the team then assigned rates of use for each country. These rates show the percentage of people we estimate will use this service within the country. The team used 20% as the starting rate because the average percentage of the target market within all the countries is 25% but the full 25% will not be realistically captured. Based on these criteria, the following hierarchy was established:

- Japan – 20%
- South Africa – 15%
- Ireland – 15%
- South Korea – 10%

Current Populations per City:

- Dublin, Ireland – 1,219,000
- Johannesburg, South Africa – 8,000,000
- Tokyo, Japan – 13,500,000
- Seoul, South Korea – 10,290,000

The team then took the current population in each city and multiplied it by the percentage assigned to each country.

COUNTRY	CUSTOMER ESTIMATE
IRELAND	182,850
SOUTH AFRICA	1,200,000
JAPAN	2,700,000
SOUTH KOREA	1,029,000
TOTAL	5,111,850



b. Revenue Estimates

To estimate the revenues that the team expects TopGolf to earn in these four countries, Neeley Corporation looked at the amount of money spent on recreational activities and food and drink. The team converted the amount to USD from the country's currency so that management can accurately envision the impact of these revenue estimates. The following numbers show the average amount of income spent on recreation and food and drink per country:

- Ireland – \$12,900
- South Africa – \$8,040
- Japan – \$9,780
- South Korea – \$10,632

It is estimated that on average one and a half percent of an individual's income spent on these two segments will be spent at TopGolf. The numbers below reflect the average amount Neeley Corporation expects a customer to spend on TopGolf in a given year:

- Ireland – \$193
- South Africa – \$120
- Japan – \$146
- South Korea – \$159

These amounts were multiplied by the number of customers expected in each country to calculate overall revenue estimates.

COUNTRY	REVENUE ESTIMATE
IRELAND	\$ 35,290,050
SOUTH AFRICA	\$ 163,611,000
JAPAN	\$ 394,200,000
SOUTH KOREA	\$ 163,611,000
TOTAL	\$ 737,101,050

VI. Conclusion

Overall, Neeley Corporation believes TopGolf would excel in the countries discussed above. Each country has its own culture that will create variances between each new TopGolf location. This will diversify TopGolf's customers base and the overall brand. The main intention of international expansion is to expand the TopGolf brand across the globe, but this can open up the opportunity for mimicking. The TopGolf business model can be easily replicated, but TopGolf is currently the only brand in their market. To avoid other companies from mimicking TopGolf and surpassing them in the market, TopGolf needs to spread their brand around the world. We hope that if a company does emerge to compete with TopGolf, consumers will not think twice before choosing to go to TopGolf over the other company.



Expanding the TopGolf name to four new countries will be beneficial to the company and the TopGolf brand. Phase 1 will bring TopGolf to both South Africa and Ireland, providing the company the opportunity to establish brand awareness in two diverse English-speaking countries. Phase 2 will bring TopGolf to Japan and South Korea, creating the opportunity for TopGolf to conquer another language barrier and increase the international recognition of the brand. By 2023 the team hopes TopGolf will develop not only as an American company, but as an Global Company.



VII. Appendix

Other Future Expansion Options:

Neeley Corporation also researched two additional countries as potential options for expansion in the future. One option is Auckland, New Zealand. The country is a collection of island located in the southern part of the Pacific Ocean. Its climate is temperate and mild and is known for both plentiful sunshine and moderate rainfall. The team believes New Zealand is a viable option for expansion due to several factors. The primary language spoken in New Zealand is English. Its economy is extremely strong and highly developed, sitting at a rank just in front of Ireland.

New Zealand

- 105,000 registered golfers
- 418 golf facilities
- 5,000,000 rounds of golf played annually
- 86% of population is considered urban
- Roughly 50% of the population of age 15 to 64 are physically active
- Auckland:
 - 34% of New Zealand's population
 - 33% of all business in New Zealand
 - The median age is 35 years
 - \$76,500 median household income
 - Roughly 65% of the population is in the age range of 15 to 64 years old

Another expansion option for TopGolf is Hong Kong, China. What sets the country apart from others is the sheer size of its population Located in Eastern Asia, China has the largest population of any country in the world. Hong Kong is the country's leading commercial center and port. China's economy is second largest in the world and it is growing at exceeding rates. Up until 2015, China's economy was the fastest growing economy in the world. Golf courses in China are currently closing due to the real estate demand, but the demand for golf remains high. The provides the perfect opportunity for TopGolf, since their facilities are significantly smaller than a golf course and can cater to the golf demands of the country.

China

- China Golf Association: 358,000 registered players
- Chinese Taipei Golf Association: 881,000 registered players
- 473 golf facilities
- Estimated annual golf course growth rate is 30%
- "Elite class" is demanding golf as a leisure activity
- Median age is 37.3
- Urban pop is 57.9%



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