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2008 Off-Course Retail Report Tracks Survival in a Challenging Retail Environment

Omaha, NE – Longitudes Group today announced the release of its 2008 Market Trend Report on USA Off-Course Golf retail. 2008 marks the first year since Longitudes Group began conducting this research where the number of annual store closures has begun to slow and stabilize. While Big Box locations control nearly 59% of the square feet in the US market, smaller retailers are creating niches and finding ways to survive, even with the large format chains as their local competition.

First released in 2004, Longitudes Group annually tracks the growth and contraction of the Off-Course retail market. The report includes a complete analysis of 186 markets tracking last year's metro-by-metro changes both in the number of stores and the expansion/contraction of total retail square feet. In the overall off-course retail segment, previous years showed that the large format retailers were aggressively opening stores across the country, putting many smaller stores out of business. These 'Big Box' stores continue to grow dramatically, now representing 21% of all stores, but 59% of all retail space in the channel. Since 2005, the off-course market has experienced a net loss of 332 doors, or an 18% loss. 2008 represents the first year the market is stabilizing with only a -3% (46 doors) erosion in store counts.

Key findings of the 2008 research include:

- Total square footage of off-course retail increased by 4.8%, while the number of total off-course doors decreased by 3%.
- Overall, out of 186 DMAs that have at least one off-course golf retail store, 32% lost doors, 19% gained doors, and 50% remained the same.
- Golf Galaxy, Golfsmith, and PGA Superstores account for 36% of the total market square footage and 164 doors in the USA off-course retail market.
- Houston, TX suffered the largest number of store closings (9).

Each metro area represented a unique mix of supply and demand variables indicating any number of influences that can impact the success of a location and local/regional market dynamics. Success in Off-Course Golf is not a simple matter of luck. Understanding the significant market differences is crucial to the success of manufacturers, retailers, real estate professionals and many in the business of golf. This one-of-a-kind report uncovers these market differences and will be an invaluable tool in discerning new opportunities for off-course retail expansion.

"In our fifth year of tracking this golf distribution channel, we are finally seeing the rate of store closures starting to slow and stabilize." stated Sara Killeen, President of



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Longitudes Group. "The surviving Mom & Pop golf retailers are now innovating and finding ways to compete with the Big Box retailers in their markets."

The Research

Calls to retailers were conducted via Longitudes Group outbound research and call center, based in Omaha, Nebraska. These phone surveys established a baseline count of stores, store size and product categories carried. Retailers that had gone out of business, moved locations, or were incorrectly categorized as brick and mortar golf retailers were removed from the list or updated. Additional sources were utilized such as on-line yellow page list services, in-market personal interviews with industry participants, and company websites.

The report is affordably priced at \$395 per copy through Longitudes Group website, www.longitudesgroup.com/reports . For further information on the preparation of a custom analysis please contact Sara Killeen at (402) 991-6620.

Longitudes Group, LLC, headquartered in Omaha, Nebraska, is a research and marketing company providing unique analysis on the travel and spending behaviors of avid golfers in the US and Canada. Armed with a database containing information on the behavior of 6.0 million avid golfers mapped by county and zip code, Longitudes Group uses a geo-demographic approach to probe both the location and purchase behavior of the avid golfer population. On the supply side, Longitudes Group has built the most up-to-date database of golf retailers including 16,000 golf facilities, 1,528 off-course retail stores and 2,000 chain sporting goods store. Canadian Market Analyses are also available. For more information, visit the company online at www.longitudesgroup.com.

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