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Understanding the $45K investment that 70% of golf course operators consider a financially positive impact

Research sponsored by:

NATIONAL GOLF FOUNDATION

THE GOLF SIMULATOR OPPORTUNITY

A Golf Facility Decision-Maker's Guide to Implementation and ROI

2025 EDITION

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Background

The landscape of golf is undergoing a significant transformation, with off-course participation – particularly through golf simulators and screen golf – experiencing unprecedented growth catalyzed by the post-pandemic era. This evolution presents both opportunities and questions for investors, entrepreneurs, and stakeholders across the golf industry.

While the potential of indoor golf simulation is evident, golf facility operators face a complex decision-making process when evaluating simulator investments. As key stakeholders in the game's evolution, operators must navigate considerations ranging from technological requirements and space utilization to return on investment and market demand. While other industry participants (developers, entrepreneurs, business owners) may find value in this analysis, our research focuses primarily on helping golf facility operators make informed decisions about simulator implementation. Currently, this critical information exists in fragmented sources across the industry.

This white paper builds upon the National Golf Foundation's established research in off-course participation by providing a comprehensive, data-driven analysis of the golf simulator market. Through extensive primary and secondary research, we examine the key factors driving the simulator segment's growth: technological advancement, increased affordability, improved facility economics, and accelerating consumer interest.

Our hope is that this paper serves as an essential resource for golf course decision-makers evaluating simulator investments. By consolidating industry insights, market trends, and operational considerations into a single document, we aim to equip stakeholders with the essential knowledge needed to assess whether indoor simulator facilities align with their business objectives or personal goals. This understanding is particularly crucial as technologies continue to evolve and the market expands, creating new opportunities for engagement with the sport of golf.

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Methodology

This research paper draws from in-depth conversations with leading golf facility operators and Multi-Course Operators (MCOs), complemented by results from two distinct surveys conducted in November/December 2024 – one among golf facility operators and another among a representative audience of U.S. Core golfers (those who've played 8+ rounds in the past 12 months). This multi-faceted approach provides a comprehensive view of the indoor golf simulator market.

The facility operator survey collected responses from 354 golf facilities across the United States, while the Core golfer survey captured insights from 569 respondents. This approach allowed for analysis of both the supply and demand sides of the green grass market, providing a current view of adoption/usage and potential future growth opportunity.

U.S. Golf Facility Operator Survey

n=354 Total Sample	74% Public	26% Private
26% 9 Holes	65% 18 Holes	9% 27+ Holes

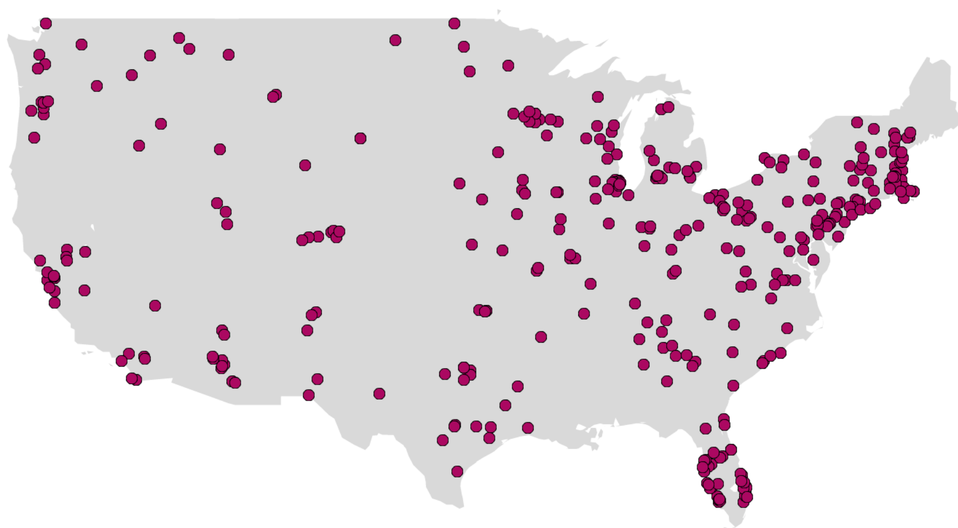
U.S. Core Golfer Survey*

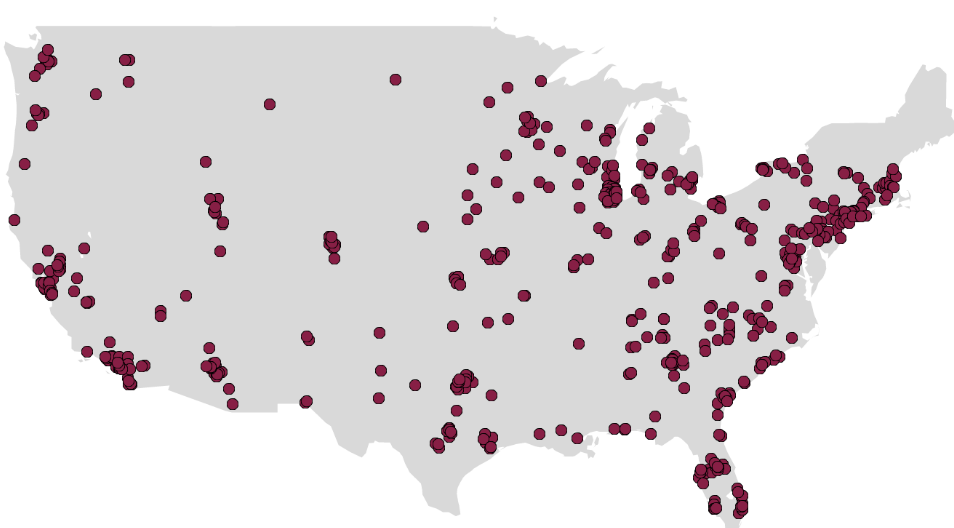
n=569 Total Sample	79% Male	21% Female
48% Age <50	52% Age 50+	27% Private Club Member

Survey conducted November-December 2024. Samples designed to be representative of all U.S. golf facilities and Core golfers, but may not fully reflect the total universe of each population. Percentages may not total 100% due to rounding. The findings presented are subject to potential sampling, measurement, and processing errors. While rigorous procedures were followed in all phases of survey development, collection, and processing, the possibility of errors cannot be eliminated. The National Golf Foundation assumes no liability for outcomes derived from using this information.
*Core golfers defined as those playing 8+ rounds in the past 12 months

Geographic Distribution of Survey Respondents

U.S. Facility Operators (Top) and Core Golfers (Bottom)





Source: NGF facility database and Core golfer research panel
Fielded: November-December 2024
Note: Each dot represents one survey respondent. Distribution reflects sampling methodology and response patterns.

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Industry Context and Opportunity

Golf is Booming

Almost any way you look at it, golf is flourishing: rounds played, on- and off-course participation, female and new golfer engagement, online search interest, facility revenue and investments. The industry is also seeing an unprecedented surge in technology innovation and entrepreneurship, thanks especially to new companies, startups, and disruptive brands entering the market. And while traditional on-course participation reached 28.1 million players in 2024 — the most since The Great Recession — the growth of golf's overall ecosystem is even more impressive, expanding to a record 47.2 million participants when including off-course formats. With golf's continued ascendancy and evolution, it can be easy to rest on our collective laurels. After all, the recent industry success must mean we're doing something right? Right?

The Challenge Behind the Growth

Despite golf's apparent success, a critical challenge continues to lurk beneath the surface. 16.2 million people tried traditional golf for the first time in the past five years, yet the net gain in on-course participation represents only a fraction of that number (3.3 million, or 20%). This ongoing retention challenge, combined with the fact that a good portion of recent growth seems to be driven by external factors, suggests the need for stickier approaches to engaging and retaining new players.

The Simulator Solution

NGF's latest research proves that golf simulators are emerging as a powerful answer to these challenges. The data tells a compelling story:

- 51% of simulator users are 'non-golfers' (did not play on-course in past 12 months), up from 42% a decade ago
- Three-quarters of simulator users indicate they're likely to return
- The total number of simulator and screen golf users has grown steadily from 3.8 million users in 2015 to 8.1 million in 2024

Surveys also reveal strong operator confidence in the technology:

- Three-quarters (77%) believe simulators would increase customer engagement and satisfaction at their facility
- Two-thirds (65%) see simulators as an effective tool for drawing new customers
- Three out of five (61%) consider simulators a worthwhile investment
- Three out of five (59%) view simulators as providing a competitive advantage

Market Penetration and Investment Landscape

Current Penetration at Green Grass

Golf simulator adoption varies significantly across facility types and geographic regions. Currently, 6.5% of all U.S. golf facilities have installed simulators, with higher penetration in private facilities (10.4%) compared to public venues (5.1%). Facility size also plays a role, as adoption increases with the number of golf holes – from 3% at 9-hole facilities to 7.5% at 18-hole operations and 9.9% at facilities with 27 or more holes. Among public facilities, simulator presence also correlates with green fee pricing tiers, ranging from 3.4% at value-priced (<$50 greens fee) facilities to 8.0% at premium ($80+ greens fee) venues. Regionally, the Midwest (8.4%) and North (7.9%) show the highest adoption rates – not surprising given their shorter outdoor golf seasons – while the South (4%), with its year-round outdoor play, has been slower to embrace this technology.

Initial Investment

Operators with simulator(s) reported an average investment of $45K per bay, though this figure may reflect early, more-premium buyers. This costs aligns closely with the average investment anticipated by operators who don't yet have a simulator, although it's worth noting that roughly one-half of operators without a simulator would expect to spend under $20K. Fortunately, quality golf simulators can be made to match a large range of price points, making the opportunity available for most budgets.

Reported investment per bay by operators with a simulator	Expected investment per bay by operators without a simulator
$45K Average	**$45K** Average

While $45,000 may seem substantial to most operators, it's important to understand what drives this cost and how facilities are successfully managing the investment.

Revenue Generation: A Multi-Channel Approach

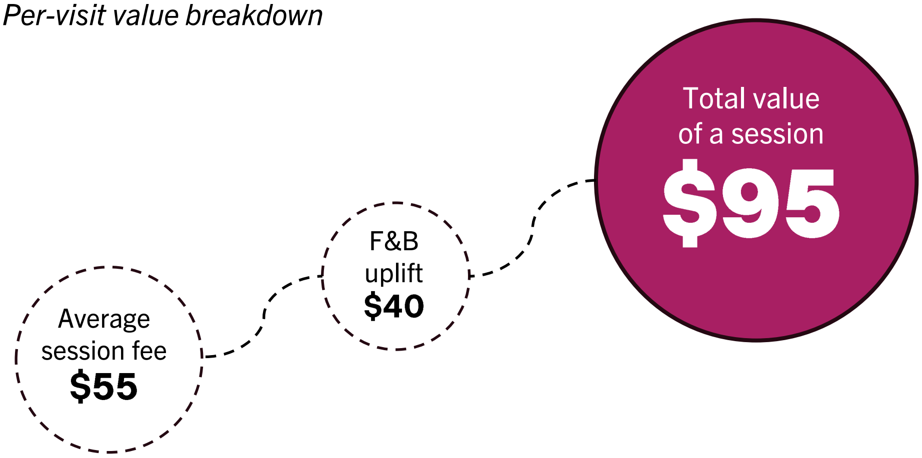
The market has predominantly adopted a pay-per-use pricing model, though specific approaches vary based on facility type and local market conditions. While public facilities universally implement per-use fees, private clubs show more diversity in their pricing strategies – 59% charge per simulator session, 18% incorporate costs into member dues and the rest offer complimentary access.

The core revenue metrics present a compelling case: operators report average simulator sessions lasting just over an hour at $55 per session, aligning closely with core golfers' reported spending of $58 for their typical 90-minute visit. Yet the simulator fee is just the starting point. With customers spending an additional $40 on food and beverage per visit – a 73% revenue uplift – the total customer value approaches $100 per visit. Spending patterns vary by facility type, with 40% of public facility customers exceeding $70 per simulator session, while private facilities report more moderate per-visit revenue.

Perhaps the most compelling aspect of the simulator business model is its ability to create value through group experiences. The average simulator session hosts three players, with over 40% of groups splitting costs among participants. This dynamic creates a natural multiplier effect on revenue, particularly in food and beverage sales, but also underscores the importance of streamlined payment systems that can easily accommodate split payments. Facilities that remove friction from the group payment process not only enhance the customer experience but also facilitate the social dynamics that drive increased per-visit revenue.

Simulator Visit Revenue Flow

Per-visit value breakdown



Source: NGF Operator Survey, November-December 2024 (n=354)

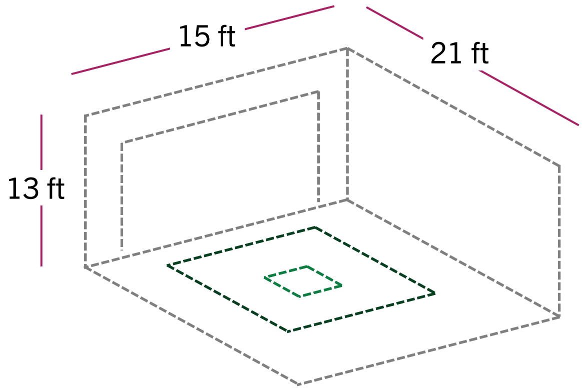
Overcoming Implementation Barriers

The path to simulator implementation presents two primary challenges: space requirements (72% of facilities without simulators cite this as a barrier) and initial investment (53%). Understanding these constraints - and the creative solutions facilities have developed to address them - is crucial for successful implementation.

Space considerations center around the need for adequate hitting and viewing areas. The average simulator installation requires dimensions of approximately 15ft wide, 13ft high, and 21ft deep, including the hitting/swing area. However, it's important to note that simulators can be made to fit nearly any available space, as long as there's room for a safe swing. Successful installations have utilized existing clubhouses, pro shops, practice areas, restaurant/bar spaces, or dedicated buildings.

Average Reported Simulator Dimensions

Among facilities with golf simulator(s)



Source: NGF Operator Survey, November-December 2024 (n=354)

The investment picture is equally nuanced. While current operators report an average investment of $45K per simulator bay, there's significant variation in actual costs based on specific component choices. Launch monitors, a central element of most setups, can represent a substantial portion of the investment, with prices varying dramatically based on features and tracking capabilities.

However, the market offers multiple paths to managing these costs:

Component customization

Each element of a simulator setup (hitting mat, launch monitor, projector, screen/net material, etc.) can be selected to balance total costs against facility needs

Software considerations

Launch monitor compatibility determines available features and courses, allowing facilities to align their investment with target customer segments

Alternative configurations

Some facilities have found success with simplified setups that prioritize specific capabilities (like swing data) over full simulation

Operational Excellence: Beyond Basic Implementation

While simulators are still relatively new to the mainstream golf market, successful operations have moved well beyond novelty appeal to create lasting value. Research reveals that customer satisfaction stems from both the core technology and the supporting experience - an insight that shapes operational best practices among leading facilities.

The most successful simulator operations recognize that customer service requirements differ significantly from traditional golf. Unlike outdoor play where golfers are largely self-sufficient after check-in, simulator customers often need ongoing support. This includes initial game setup, technical troubleshooting, shot alignment guidance, and general gameplay assistance. Additionally, with customers remaining in close proximity to staff throughout their visit, there are abundant opportunities for service interaction.

Food and beverage service emerges as a particular differentiator. Given that simulator sessions typically last 90 minutes and often involve groups, customers seek dining experiences that go beyond basic snack bar fare. Facilities report that enhanced F&B offerings not only drive the 73% revenue uplift noted earlier but also contribute significantly to customer satisfaction and repeat visits.

Return on Investment: A Clear Value Proposition

The simulator business model shows compelling economics. Our research reveals that 70% of facilities report positive financial impact from their simulator installations, with close to one-half achieving positive returns within their first month of operation and four-out-of-five reaching profitability within their first year. This rapid return on investment stems from simulators' ability to generate multiple revenue streams while addressing traditional golf's key operational challenges.

The path to profitability follows a clear timeline. While the average facility reports reaching positive financial impact at the 7-month mark, the distribution reveals interesting patterns. A significant portion (44%) of facilities achieve positive returns within their first month of operation, suggesting strong initial demand and effective launch strategies. Another 17% reach this milestone within 2-5 months, followed by 19% in months 6-11. The remaining 21% take 12 months or longer to realize positive returns, likely reflecting variations in market conditions, operational approaches, and initial investment levels.

Golf Facility ROI Achievement Timeline

Among those with golf simulators

Average reported time to positive financial impact: **7 months**

44% Within 1 month → **17%** 2-5 months → **19%** 6-11 months → **21%** 12+ months

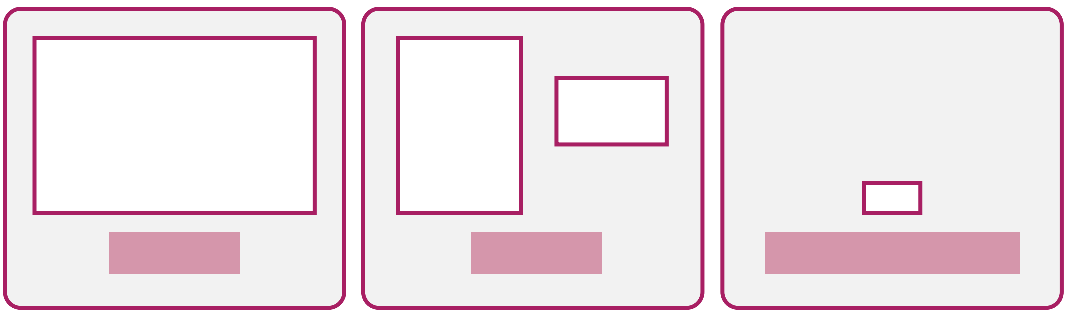
80% of golf facilities report reaching profitability within their first year of simulator operation

This ROI timeline data carries important implications for facility operators:

- Early success is possible with proper planning and execution
- The majority (80%) achieve profitability within their first year
- Patient operators can expect positive returns even with more gradual ramp-up periods

Alternative Approaches: Maximizing ROI Through Flexibility

While many facilities focus on traditional simulator bays, the market has evolved to embrace diverse implementation strategies. A key insight from our research challenges conventional wisdom: a "simulator" may not always require a dedicated impact screen. This realization opens new possibilities for facilities with space or budget constraints.



Traditional setup
Full simulator bay(s)

Simplified setup
Net + separate display(s)

Portable setup
Launch monitor(s) on driving range

Some operators have found success with simplified setups that combine hitting nets with separate display screens (TV, tablet, or smartphone) for shot visualization. This configuration, while more closely resembling home simulator setups, can effectively serve:

- Facilities with space limitations
- Operations focusing primarily on instruction or club fitting
- Performance-oriented customers who prioritize data analytics
- Venues seeking lower-cost entry points

Portable launch monitors represent an even more cost-effective solution, with over 20% of facilities reporting ownership of at least one portable unit. This adoption rate suggests growing recognition of the flexibility these units offer. By maintaining a "lending library" of portable monitors, facilities can utilize existing spaces, (particularly driving range bays), serve multiple customers simultaneously, lower initial investment requirements and implement creative pricing models (such as monitor rental or per-bucket rates).

These alternative approaches demonstrate how facilities are innovating to match their specific market conditions, space constraints, and customer needs - often achieving positive financial results with lower upfront investment.

Market Evolution and Future Trajectory

The simulator market appears to be entering a "goldilocks zone" – mature enough to have proven business models but early enough to offer significant growth potential. Current data suggests only 7% of golf facilities have simulators installed, with an additional 13% planning to add them within 1-2 years (4% definite, 9% probable).This expansion coincides with broader industry needs, like addressing golf's retention and conversion challenges, meeting demands for year-round play opportunities and offering weather-independent golf experiences, and creating new revenue streams for facilities.

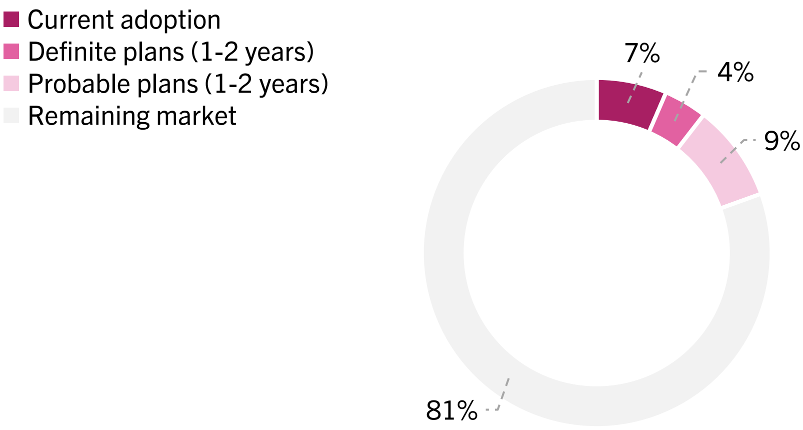
The market shows particular strength in meeting specific consumer demands that traditional golf cannot fully address:

- Weather-independent play (cited by 59% of users)
- Enhanced practice capabilities (43% of users)
- Performance feedback and analytics (34% of users)
- Extended playing hours (23% of users)
- Access to virtual course experiences (22% of users)

This convergence of facility operator confidence, consumer adoption, and industry needs suggests the simulator market remains in a growth phase with substantial untapped potential, particularly in non-traditional venues such as entertainment centers, community facilities, and corporate locations.

Current and Planned Golf Simulator Adoption

Among all U.S. golf facilities



Source: NGF Golf Facility Database and Operator Survey, November-December 2024 (n=354)
Note: 'Definite plans' indicates operators who report they will "definitely" add simulators; 'Probable plans' includes those who report they will "probably" add simulators within 1-2 years.

The Simulator Value Proposition

Market Size & Growth

- ✓ 8.1M simulator users in 2024, up from 3.6M five years ago (+126%)
- ✓ 51% of users are non-golfers (up from 42% a decade ago)
- ✓ 6.5% current golf facility penetration
- ✓ Higher adoption in regions with shorter seasons (8% Midwest vs. 4% South)
- ✓ 60%+ growth expected in next 1-2 years (10-11% facility penetration)

Investment & ROI

- ✓ $45K average investment per bay
- ✓ 70% report positive financial impact
- ✓ 7 months average time to ROI
- ✓ 80% reach profitability in first year
- ✓ 44% achieve positive returns in first month

Simulator Session Economics

- ✓ 3 players average group size
- ✓ 90-minute average visit duration
- ✓ $55 base simulator fee per session
- ✓ $40 additional F&B spend (73% revenue uplift)
- ✓ 59% of private facilities charge per simulator session (with the rest incorporating into dues or providing complementary access)

Key Considerations

- ✓ Space requirements can be flexible (15' x 21' x 13' typical, but smaller alternative setups available and commonly used)
- ✓ Customizable implementation options from full bays to portable solutions
- ✓ Customer service needs differ from traditional golf (ongoing support vs self-sufficient play)
- ✓ Flexible payment options important for group play (40% split costs)

NGF would like to thank the Indoor Golf Shop for sponsoring our research, as well as the following Executive Members who serve as technology suppliers to the screen golf category:

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