



National Golf Course Owners Association Canada  
Association nationale des propriétaires de terrains de golf du Canada

## **Official Position Statement:**

### **3<sup>rd</sup> PARTY TEE TIME RESELLERS** Board Approval – March 3, 2011

In response to widespread concerns expressed by Canadian golf course operators regarding the role of 3<sup>rd</sup> Party Tee Time Resellers, the National Golf Course Owners Association Canada has established the following position:

#### **Official Position Statement**

- i) For the purposes of this Position Statement, a 3<sup>rd</sup> Party Tee Time Reseller is defined as an entity other than the Golf Course itself that is in the business of providing sales and distribution of tee times, memberships and related services to golfers through intermediary websites or other marketing channels not owned by the Golf Course.
- ii) Golf Courses should promote as much sales as possible directly through their own websites, pro shops or call centres.
- iii) If working with a 3<sup>rd</sup> Party Tee Time Reseller, Golf Courses should design marketing plans that position these Resellers as supporting strategies only, intended to drive incremental business and fill soft demand periods.
- iv) Golf Courses opting to work with 3<sup>rd</sup> Party Resellers should protect themselves by managing those business relationships according to the Best Practices described below.
- v) The NGCOA Canada's primary role with respect to 3<sup>rd</sup> Party Tee Time Resellers is to provide consultation to its membership.

#### **Critical Best Practices**

If contracting a 3<sup>rd</sup> Party Tee Time Reseller, the NGCOA Canada recommends that the Golf Course include each of the following Critical Best Practices:

##### **SIGNED WRITTEN CONTRACT**

All agreed upon terms and conditions should be contained within a written contract signed by representatives of both parties who have the authority to execute binding legal agreements.

##### **TERM**

The term of the agreement should be clearly defined. The Golf Course should have the right to immediate termination with no penalty for any breach of the agreement by the 3<sup>rd</sup> Party, and the shortest possible notice period for termination without cause.

### **BEST RATE GUARANTEE**

The Golf Course should have the right to require that their own posted rates and promotions are the best offers at all times, or equivalent to the best available. Any exceptions should require written consent in advance.

### **DATABASE OWNERSHIP**

The 3<sup>rd</sup> Party should provide unfiltered access to the Golf Course of all pertinent customer information, forwarding all such data in whatever form and timing is mutually agreed upon. The Golf Course acquires ownership of all such data immediately upon receipt.

### **PAYMENT MODEL**

Terms of payment should be clearly defined. The NGCOA Canada recommends a commission-based model which assumes a reasonable percentage paid to the 3<sup>rd</sup> Party on tee times actually sold. If a merchant model is used instead (course provides tee time at net rate to 3<sup>rd</sup> party, 3<sup>rd</sup> party sells to golfer at gross rate), then a defined mark up from net to gross rates should be included in the agreement.

### **AUCTION MODEL**

No auctioning of tee times by the 3<sup>rd</sup> Party should be permitted without expressed written consent by the Golf Course.

### **URL OWNERSHIP**

The Golf Course should own and protect its Uniform Resource Locator (URL) for all of its own websites at all times.

### **SEARCH ENGINE OPTIMIZATION**

To protect the Golf Course from online golfer searches being diverted away from its own websites, the 3<sup>rd</sup> Party should not use the Golf Course or related facility names for their own search engine optimization (SEO) without written consent of the Golf Course.

### **BRAND PROTECTION**

The 3<sup>rd</sup> Party should only utilize the Golf Course's name, logo, slogans, photographs, or promotions for the marketing purposes specified within the contract. The Golf Course retains the sole right to determine any updated presentation of these marketing properties on the 3<sup>rd</sup> Party website and any other marketing materials.

### **SELECTIVE INVENTORY**

The Golf Course should retain the right to offer the 3<sup>rd</sup> Party only that tee time inventory that it deems to be in its own best interest.

### **LOYALTY & MEMBERSHIP PROGRAMS**

Any 3<sup>rd</sup> Party loyalty or membership programs that leverage the customers of the Golf Course should be fully disclosed within the contract. The Golf Course should be diligent about protecting itself from any such programs that will be competing against its own loyalty or membership.

### **INDEMNIFICATION & REGULATORY COMPLIANCE**

The 3<sup>rd</sup> Party should protect the Golf Course from all possible liability for taxation and regulatory matters related to the resale of tee times, both provincially and federally. The 3<sup>rd</sup> Party should be fully compliant with all relevant regulatory standards, including the Privacy Act and PCI.

## **Additional Best Practices**

Beyond the Critical Best Practices noted above, the NGCOA Canada suggests that Golf Courses also consider implementing the following terms and conditions:

### **ADDITIONAL SERVICES**

If the 3<sup>rd</sup> Party is offering additional services beyond tee time reselling, all such services and any related fees should be specified within the contract.

### **PRICE PARITY**

The Golf Course retains the sole right to impose price parity (same price for same product throughout all marketing channels).

### **ONLINE LINKS**

The 3<sup>rd</sup> Party should be required to fully disclose all proposed links to any other sites, in writing and in advance.

### **TRANSFERABILITY**

The 3<sup>rd</sup> Party should not be entitled to sell, give or partner its reseller services to any other 3<sup>rd</sup> Party without the Golf Course having the right to terminate or adjust the terms and conditions of the agreement.

### **EXCLUSIVITY**

The Golf Course should retain the right to work with any other 3<sup>rd</sup> Parties.

### **CONFIDENTIALITY**

The 3<sup>rd</sup> Party should not be entitled to a confidentiality clause that prevents the Golf Course from disclosing the terms and conditions of the contract

### **PROPRIETARY BUSINESS INFORMATION**

The Golf Course should request reasonable protection for all proprietary business information that may be exposed to the 3<sup>rd</sup> Party as a result of the business relationship.

### **SUPPORT SERVICES**

The contract should define all of the 3<sup>rd</sup> Party support services to the Golf Course, including IT, customer relations, marketing and consultation.

### **LEGAL ENTITY**

The contract should define the legal business configuration of the 3<sup>rd</sup> Party and clearly state that the 3<sup>rd</sup> Party will present itself as being totally independent from the Golf Course.

### **About the National Golf Course Owners Association Canada (NGCOA Canada):**

The NGCOA Canada is a not-for-profit trade association providing business support to Canadian golf facility operators. It is owned and governed by its membership.

The Association was formed in 1993, with head offices in Ottawa, Ontario and eight regional chapters throughout Canada. At this time, the NGCOA Canada membership is approximately 1330.

The NGCOA Canada board of directors is comprised of 20 golf course operators, representing all regions of the country, plus the CEO. This governing body establishes NGCOA Canada policy on behalf of the membership, including this Official Position Statement.