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Abstract

On an unusual rainy day in February 2017, Sikorn Cheeranavanit, the CEO of OB Club, gathered his employees at the OB Club facility in Akamai, Bangkok, to sum up the progress of the company. After three years and almost \$1 million in investment, things were looking up for the club, which had been founded in 2014 on the novel concept of creating a new culture of golf in Thailand by integrating IT and golf.

The OB club had not been a first mover in the indoor golf simulator side of the business, but was the first mover to introduce an indoor golf simulator for non-serious (i.e., casual or occasional) golfers. It was very challenging for the company to raise awareness about the indoor golf simulator within the public at large. Most golfers played golf at the golf course or driving range. Even though Thailand was considered a paradise of golf, most golf revenue was generated from tourists and serious golfers. Golf was still unreachable by the majority of the Thai population. Sikorn's vision was to make golf affordable by everyone. Thus, the OB club was targeting non-serious golfers to play golf and have fun at the same time.

Sikorn knew that if and when his business became a success, there would be imitators who would endeavor to copy his business model. Hence, Sikorn surmised

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that to be successful over the long run, he could not stop at the indoor golf simulator. Rather, he would need to create an “ecosystem” to sustain competitive advantage over the long run. Thus, here at the end of February 2017, with a shareholders’ meeting coming soon, he had to devise and present a new business model and strategy to convince the shareholders that his business was going to be a success.

Keywords: Business Model, Golf Technologies, Golf Competition, IT in Golf, Platform Business

ໂອປຶກລັບ

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ບທຄັດຍ່ອ

ໃນວັນທີອາກາສຮອນຂອງເດືອນກຸມພາພັນນີ້ ພ.ສ. 2560 ຄຸນສີກີຣ ທີ່ຮ່ອມວັນນີ້ ປະກາດບຣິຫຼັກໂອປຶກລັບໄດ້ເຮັດວຽກປະໜຸມພັກງານເພື່ອສຽງຄວາມເຄີບໜ້າຂອງບຣິຫຼັກ ໂອປຶກລັບສາຂາເອກມ້ຍ ທັງຈາກສາມປີຂອງກາງກ່ອນທີ່ຕັ້ງບຣິຫຼັກມີກາລົງທຸນໄປ 30 ລ້ານບາທ ຄຸນສີກີຣຕ້ອງການທີ່ຈະສ້າງຮູກຈິໃໝ່ໂດຍກາຮົມກີພາກອົບພາກລົບແລະເທັກໂນໂລຢີສາຮສະເທັກເຂົາດ້ວຍກັນເພື່ອສ້າງຮູກຈິແລະຄວາມຕ້ອງການໃໝ່ໃນກີພາກອົບພາກລົບ

ໂອປຶກລັບຄືວ່າເປັນໜຶ່ງໃນຜູ້ເລີ່ມຮັບຮັບຮູກຈິກອົບພາກລົບໃຈລອງໃນທີ່ຮ່ວມ ໂດຍຄູ່ແຂ່ງຮາຍເນື່ອງໆ ລ້ວນແຕ່ມຸ່ງເນັ້ນກຸ່ມເປົ້າໝາຍທີ່ເປັນນັກອົບພີ່ທີ່ຈິງຈຶ່ງແຕ່ນັກອົບພີ່ມີອຸນຸມສັກເລີ່ມໄມ້ໄດ້ເປັນກຸ່ມເປົ້າໝາຍສໍາຫຼັບຮູກຈິນີ້ເລີຍ ສີກີຣໄດ້ເຫັນໂອກາສນີ້ງທີ່ຕ້ອງການມຸ່ງເນັ້ນກຸ່ມເປົ້າໝາຍໄປຢັ້ງນັກອົບພີ່ມີອຸນຸມສັກເລີ່ມທີ່ຕ້ອງການຄວາມບັນເທິງ ອຸປສຣຄທີ່ບຣິຫຼັກພບຄືອນນັກອົບພີ່ທີ່ວ່າໄປຢັ້ງໄມ້ຮູ້ຈັກຄືນກອົບພີ່ຈຳລອງໃນທີ່ຮ່ວມ ນັກອົບພີ່ທີ່ວ່າໄປຮູ້ຈັກເພີ່ງແຕ່ສານາໄດ້ຮົກອົບພີ່ແລະສານາກອົບພີ່ເທົ່ານັ້ນດັ່ງນັ້ນຈຶ່ງເປັນຄວາມທ້າທາຍຂອງສີກີຣທີ່ຈະທຳໃຫ້ນັກອົບພີ່ທີ່ວ່າໄປຮູ້ຈັກກອົບພີ່ຈຳລອງໃນທີ່ຮ່ວມ ນອກຈາກນີ້ ຄືນໍາວ່າປະເທດໄທ ຈັດໄວ່ເປັນສວຣົກແແກ່ກອົບພີ່ແຕ່ຮ່າຍໄດ້ທີ່ເກີດຈາກນັກອົບພີ່ທີ່ມີໃຫ້ສານາກອົບພີ່ແລະສານາໄດ້ຮົກພໂດຍສ່ວນໃໝ່ມາຈາກນັກທ່ອງເທິ່ງແລະໝາວຕ່າງໝາດທີ່ອ້າຍໝູ່ໃນປະເທດໄທ໌ສ່ວນໃໝ່ເປັນໝາວເກາຫລີແລະຄູ່ປຸ່ນ ຮາຍໄດ້ຂອງກີພາກອົບພີ່ທີ່ເກີດຈາກນັກອົບພີ່ໝາວໄທຢັ້ງວ່າເປັນສ່ວນນ້ອຍຂອງຮາຍໄດ້ທີ່ເກີດເຂົ້ນທັ້ງໝາດ ດັ່ງນັ້ນກີເປັນອົກໜຶ່ງໃນຄວາມທ້າທາຍຂອງສີກີຣທີ່ຕ້ອງທຳໃຫ້ກີພາກອົບພີ່ໄດ້ຮັບຄວາມນິຍົມໃນປະເທດໄທດັ່ງເຂົ້ນໃນປະເທດເກາຫລີທີ່ມີນັກອົບພີ່ຄືນ 5 ລ້ານຄົນຈາກປະຊາກສາມສົບລ້ານຄົນໃນຂະນະທີ່ປະເທດໄທມີນັກອົບພີ່ເພີ່ງແຄສີ່ຄື່ງທ້າແສນຄົນຈາກປະຊາກທ້າສົບແປດລ້ານຄົນ

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ศิกรทราบว่าการที่ธุรกิจโอบีคลับจะประสบความสำเร็จนั้นจำเป็นอย่างยิ่งที่จะต้องนำอาชุรภิที่มีส่วนเกี่ยวข้องต่าง ๆ อาทิเช่น สนามไดร์ฟ สนามกอล์ฟ สถาบันการศึกษา บริษัทจำหน่ายอุปกรณ์กอล์ฟ บริษัทท่องเที่ยว และสื่อโฆษณาเข้ามาเชื่อมโยงกันในลักษณะระบบบันเทิงโดยมีโอบีคลับเป็นศูนย์กลาง แต่ในการที่ศิกรจะสามารถสร้างระบบบันเทิงได้ ศิกรต้องสามารถให้ผู้เกี่ยวข้องเห็นคุณค่าร่วมกันของการมีส่วนร่วมในระบบบันเทิงนี้ ณ วันนี้คือวันที่ 28 กุมภาพันธ์ 2560 ถึงเวลาที่ศิกรจะต้องนำเสนอกลยุทธ์ในการสร้างระบบบันเทิงให้กับผู้ถือหุ้น

คำสำคัญ: เทคโนโลยีสารสนเทศสำหรับธุรกิจกอล์ฟ ธุรกิจกอล์ฟ ระบบบันเทิงกอล์ฟ

Overview of the Game of Golf

Invented in Scotland during 1400s, golf was a sport in which players used clubs to hit balls into holes on a course in as few strokes as possible. It was played on a course with nine or eighteen holes. A player had to start from a tee box and finish on a putting green [1].

Each golf hole could range in length from over 100 yards to more than 500 yards. Each swing that a golfer took was called a stroke and counted toward the total score. The number of strokes of the entire round was the player's score. The lower the numbers of strokes, the higher (i.e., better) the player's score. For each hole, a player drove the ball onto the fairway, hit the approach shot onto the green, and putted the ball into the cup. Each hole could have hazards such as ponds, sand traps, high grass. Each hole was labeled either as a "par 3," a "par 4," or a "par 5." The number indicated the benchmark stroke allowed to play for that hole.

For a round of golf (18 holes), par was normally 72. If a player shot fewer than 72 stroke, this was called "under par". If a player shot more than 72 strokes, this was called "over par" [2]. Golfers were allowed to use up to 14 different clubs during a single round. The clubs consist of woods (driver and fairway woods), a series of irons (from 3-iron to 9-iron), wedges (pitching wedge, chipping wedge, and sand wedge), and a putter. Each club could be used to hit the ball for a particular distance depending on the physical and technical characteristics of player. For instance, a driver could be used to hit the ball from 200 to 300 yards, while a pitching wedge could be used to hit the ball from 100 to 120 yards. Typically, a golf professional (expert) could hit the ball farther and straighter than an amateur [2].

There were many important elements needed to achieve a lower score (or fewer numbers of strokes). A player needed to hit the ball straight and avoid various hazards around the course. A player also needed to hit the ball far. In addition, a player needed to putt the ball well on the green [2]. A good golf swing necessitated that a player possess a good swing mechanic and techniques which could take lifetime to master.

Golfers can be segmented along different dimensions. One dimension was frequency of play: 1) Avid golfer, consisting of the 25% of golfers who played more than 25 rounds per year; 2) Core golfers, who comprised 50% of golfers and played from 8 to 24 rounds per year; and, 3) Occasional golfers who played fewer than 8 times a year and who constituted of 25% of golfers. Another way that golfers could be segmented was expertise or a handicap. A handicap was a cumulative average of how many strokes a golfer took relative to par for the entire round. For example, a golfer with a 10 handicap means he or she average 10 strokes over par. A third way golfers could be segmented was based on the courses they played –e.g., public vs. private courses. Approximately 80% of golfers played on public courses which required a daily green fee. Twenty per cent of golfers played on a private course which imposed a onetime membership fee together with annual fee [2]. Besides course fees, the purchase of golf clubs was the largest expense for a golfer. A high quality set of clubs could cost more than \$2000.

Geographically, golf was famous in North America and Europe, however, it had also been gaining in popularity in other markets such as Asia, Oceania, and the Middle East [3]. The global golf population was almost 300 million people, with more than a quarter of the golf population located in five markets: South Korea, Thailand, USA, Turkey, and the United Kingdom (see Exhibit 1).

Golf in Thailand

Golf came to Thailand more than one hundred years ago during the reign of King Rama V. In its early years, it was played only by the nobles and elitists of Thai high society. Today, however, it was played and enjoyed by a wide range of the population, including middle and even lower income groups of people [4]. Indeed, golf has so ensconced itself that Thailand was considered one of Asia's Golf Hubs. Home to almost 700,000 golfers, by the 2000s, Thailand had also produced many some of the greatest names in Golf, such as Boonchu Ruangkit, Thongchai Jaidee, Prayad Markseang, Thawon Wirachant, and Ariya Jutanugarn [5].

As of 2017, there were 250 golf courses in Thailand [4]. The five main golf destinations were Bangkok, Phuket, Huahin, Pattaya, and Chiang Mai. Based on a Tourism Authority of Thailand study, these courses collectively attracted approximately 600,000 golf tourists a year, who on average spent 100,000 baht (approximately \$3,300) per person during an average of three rounds of golf per person per visit [6]. Overall, an estimated \$US 1.9 billion a year was spent in Thailand by golf visitors. Among the factors contributing to these results were the fact that, compared to other golf destinations (e.g., Scotland, England, The United States, Japan, and Korea), Thailand offered the lowest cost [6]. In addition, Thailand's stable year-round tropical climate was a big draw. During the winter season, for example, the temperature ranged from 18 to 32 degree Celsius, while the summer temperature could range from 34 to 40 degree [7].

The OB Club: Origins and Early Days

Prior to launching Sikorn, OB Club founder and main principal, had formerly spent nearly ten years, between 2000 and 2008, working worked for Telecoms and IT companies, including AIS and Huawei. In 2008, interested in becoming more entrepreneurial, he resigned his day-to-day job and started the IT consulting company, “Chubok”. Chubok’s main services included infrastructure implementation, software development, and IT solutions. He successfully recruited and organized the team of professionals in Thai IT industry to be with Chubok. Chubok was a force to be reckoned with among Thai IT solution providers.

Several years later, while on a business trip in Korea in 2014, Sikorn was encouraged by a Korean friend to try an indoor golf simulator made by the local company, Golfzon. The experience was to prove fateful for Sikorn.

Brief Biography of Golfzon, OB Club’s Progenitor

Golfzon, a Korean company established in May 2000 with a mission to “make golf enjoyable for everyone.” The company had developed a business model consisting of the integration of golf and IT. In so doing, the company changed the culture of golf in the sense that it offered a new way to play golf without going

to a golf course. In fact, so compelling had its approach to the golf simulation business been that in the space of a few short years, Golfzon could lay claim to the largest market share, 84%, in the global golf simulator business (see Exhibit 4). It now exported its product to more than 30 countries in Asia, North America, Europe, and other continents.

Much of Golfzon' success could be attributed to the fact that the company provided a total solution for golf in Korea and elsewhere. Golfzon provided the golf simulator, the golf academy, golf equipment distribution, and golf course management (see Exhibit 3). The company owned five golf courses and managed 11 other golf courses in Korea.

The Golfson Golf Simulator Explained

Although the rules of the golf game had not changed since the 1400s, the techniques and equipment have evolved drastically as a consequence of innovative technologies. These technologies helped enable indoor golf centers, country clubs, and golf driving ranges to become a multi-billion dollar industry [8]. One of the technologies that changed the landscape of golf was the golf simulator. A golf simulator allowed golf to be played on a graphically or visually simulated golf course or driving range in either an indoor or outdoor setting [9]. It incorporated sensors that could analyze ball speed, spin rate, shaft angle, club path, and impact position (see Exhibit 2).

The simulator technology enabled players to choose from among many different modes of play. For example, players could choose a practice mode that simulated a golf driving range. Or, they could choose to play a round of golf (18 holes) from literally hundreds of famous world-class golf courses around the world, e.g., Pebble Beach, St. Andrews, and TPC Sawgrass. Each course was simulated from the real courses with respect to both layout and distance. The golf simulator could also simulate various climatic conditions, thus providing golfers the vicarious experience of playing under the climatic conditions of a number of world-renown golf courses.

Further, not only could the golf simulator promote swing improvement, but it could also become a basis for entertainment, as will be shortly discussed. Most golf simulator centers could host a party or meeting for golfers and non-golfers alike. In addition, a golf simulator allowed players to compete online. A player can review his or her swing through mobile application.

During his initial trial with the system, Sikorn had been impressed with how realistic the golf simulator was, as well as how enthusiastic and animated the players were. They were quite clearly having great fun playing the simulated game. Many Koreans, explained his host, were so “hooked” on the indoor golf experience that they often came to the Golfzon center after work and would stay there playing simulated golf until late night (see Exhibit 5). Sensing the potential, Sikorn decided then and there that he wanted to start his own indoor golf simulator business in Thailand.

He subsequently withdrew his profits from the Chunbok parent company of his consulting firm and offered Golfzon one million dollars for the exclusive license to operate the Golfzon simulated golf system in Thailand. The deal went through, with Golfzon agreeing to sell the license along with technical support for a specified period of time. Thus did the new venture, “OB Club” (“OB” being Sikorn’s nickname), come into existence.

OB Club Vision, Mission, and Value Proposition

The Vision

In combining golf and information technology (IT), OB Club had sought to offer a new form of golf entertainment. Indeed, from the start, Sikorn envisioned OB Club as a hub for indoor golf entertainment. Further, in delivering the new golf experience by combining golf and entertainment, Sikorn aimed to address the needs of two somewhat dissimilar “markets” for simulated golf. There were, first, the serious golfers out seeking improvement in various aspects of their game, and second, the casual – even non-golfer – less interested in the game of golf per se than in having a fun experience with family or a group of friends. The realization

of this duality of aims was enabled by the fact that not only did OB Club provide golf simulator services by which a golf professionals could analyze and then seek to improve his/her own swing, but also entertainment functions such as golf toy, robot, golf games, and foot golf, which allowed a player to kick a ball instead of swinging a golf club.

Prior to the launch of OB Club, nearly all indoor golf simulators and golf driving ranges in Thailand focused on serious golfers seeking to improve their swing or other areas of their game. Sikorn sought to position OB Club in such a manner that it would appeal not only to the serious golfer segment that was also targeted by golf driving ranges, golf courses, and indoor golf simulators). In other words, he wanted OB Club to be a place where both serious and non-serious golfers would feel welcome. So, for example, while serious golfers used the simulators and equipment to improve the mechanics of their swing, for example, casual or non-serious “golfers” might have equally gratifying fun enjoying any of a wide selection of pastimes ranging from golf-related ones to board games.

Without the kind of facility that Sikorn had in mind at the outset of OB Club, the non-serious golfers really had no place to go -- nothing equivalent to serious golfers driving ranges, for example. For the most part, they would not want to visit a golf driving range or golf course because they were not ready to play the game, and most of them did not know how to swing a golf club. Most importantly, most non-serious golfers did not have equipment yet. Both serious and non-serious golfers could have relaxed time with a group of friends and family. A further inducement to entice the non-serious or casual “golfer,” in Sikorn’s view, was the fact that at OB Club the customers did not have to bring any equipment. All golf clubs and balls were provided. In addition, unlike a traditional golf course, there was no dress code. Customers did not have to dress up when they came to OB Club. Finally, OB Club used a mobile application that allowed the customer to VDO-record their swings and check their swing data from any smartphone (see Exhibit 8).

A major reason why Sikorn had been so excited about acquiring the rights to the business in Thailand was that there was as yet no business catering non-serious

or casual golfer in Thailand. Thus this segment represented potentially vast untapped potential. With OB Club positioned to cater to the needs of this largely ignored segment of the market, OB Club could fairly quickly become the entertainment hub for golf, where the customer can play golf, hang out, and party at the same time. “We want to be a ‘Starbucks’ of golf!” exclaimed Sikorn.

Thus, it was that in the same year, 2014, that OB Club gained exclusive rights to Golfzon’s system in Thailand, the company invested in its first two centers – the first in Ekamai shopping district, and the second center at Esplanard Shopping Mall (See Exhibit 6). In each center, there were two sections: the regular bay and VIP room. The regular bay was located in an open space like a living room. Each bay had a Golfzon sensor together with a PC and monitor. The VIP rooms, which provided exclusive environment (see Exhibit 7), also had a karaoke system that enabled people to organize a party while they played golf.

Value Proposition

A round of golf (18 holes) cost \$36 per person. If players came in a group, the VIP room cost \$70 per hour. In addition, a Club membership for frequent OB Club customers was available for a price of \$5. The price for a round of golf for a member was \$16 per person. For VIP room, there was 30 percent discount for a member. Compared with a round of golf, the price at OP Club was on average fifty percent cheaper. Eighty percent of customers were Japanese, 5 percent were Korean, and another 5 percent came from Western countries. Only 10 percent of customers were Thai. In line with the company vision of OB Club as, first and foremost, a place of entertainment, those who patronized the Club did not have to play golf (although the OB Academy provided a golf training service for beginners and professionals alike). They could -- and did -- come just to have fun with the purely entertainment options of the AI robot, electronic piano and karaoke. The Club made available food and beverages on the premises that patrons could purchase at will.

Feedback from customers who regularly frequented OB Club was that the Club provided flexibility and a cost effective way to play golf. They liked the fact

that they could come to the club anytime between 10am and 23pm. They liked being able to bring other guests with them. And, they liked that guests did not have to play golf since there were other activities (e.g., playing with the robot, foot golf¹, and a variety of board games) that they could enjoy. Further, while the rain and lightning of the monsoon season altogether eliminated the possibility of outside golf for days, even weeks, at time, OB Club patrons could enjoy golf at the Club unimpeded.

Cost Structure and Revenue Stream

The first two OB Clubs had cost Sikorn about \$500,000 each in invested capital, for a total investment of approximately 1 million dollars for both centers. The cost structure included \$300,000 for five simulators per center and two hundred dollars for furniture and equipment. Other expenses include staff salary, rent, marketing and advertising which cost around ten thousand dollars per month per center. Each branch generated revenue around \$20,000 per month. Half of revenue come from food and beverage, and another half come from the golf package.

Challenges

Despite the nearly unbridled enthusiasm that characterized Sikorn's earliest thinking about the business of simulated golf and other forms of entertainment that could complement it, the business was not without its challenges. These had to carefully considered because one or more of these challenges had the potential to wreak havoc on the business model and financial consequences.

Customer's Awareness/ Perception

Limited awareness of indoor simulated golf among prospective customers was a major concern. To date, most Thai golfers had remained largely oblivious to

¹ Foot golf was a sport similar to golf, with the exception that a player used a soccer ball rather than a golf ball. A player needed to kick a soccer ball instead of a club to the hole. The player who can finish with the lowest score wins.

this new style of playing golf. In their minds, the game of golf remained associated with on practicing golf at driving range or golf course. Most golfers still believed that golf simulation was just a “toy” and that VDO game could not provide the realism of engaging the game at a golf course or driving range. Making the situation worse was the fact that most OB Club customers were Japanese expatriates who stayed in Thailand for a relatively short period of time. Their patronage of the Club necessarily ended upon their return to their home country. The same was true of the 5% of Club customers who hailed from Korea.

Pricing

Foot golf was a sport similar to golf, with the exception that a player used a soccer ball rather than a golf ball. A player needed to kick a soccer ball instead of a club to the hole. The player who can finish with the lowest score wins.

In Thailand, the game of golf was perceived as an expensive luxury sport, one that could be afforded only by the rich people in the upper strata of Thai society. To play a round of golf (18 holes), it cost between fifty and a hundred and fifty dollars. This price was considered unreachable by most lower and middle income people. Consequently, golf was neither as famous nor popular in Thailand compared to soccer, badminton, and boxing. Sikorn knew that it would be challenging indeed to try to change such a longstanding perception.

Partnership

For OB Club to be successful, it needed to develop partnerships with other golf businesses such as driving ranges, golf courses, content providers, and equipment sellers. Strategic partnership allows OB Club to expand customer bases, offer more variety of products and services, and reduce cost. For example, partnership with a driving range or golf course would allow OB Club to install the Golfzon equipment's at the driving range or the course to enable better golfing experience for the golfers. Partnership with content providers such as TV and magazine would allow OB Club to raise customer awareness about indoor golf simulator. Partnership with equipment manufactures or sellers would allow the golf related

equipment to be sold through OB Club channels. Thus far, Sikorn mentioned, prospective partners had failed to see value or incentive in joining with the OB Club. To be sure, many potential partners were impressed with the simulation technologies; but, when it came to entering a partnership agreement with the Club, they were often hesitant to join.

Laws and Regulations

Finally, a totally new challenge arose quite unexpectedly when, in December 2016, Sikorn learned that the Thai government was working to pass a new law that would prohibit government officials from playing golf – simulated or otherwise – with business people. The rationale cited was that playing golf could potentially open the door to opportunities for corruption. If this law were to pass, the number of golfers, and therefore potential future customers of the Club could be significantly reduced.

Juxtaposed against the competitive environment facing OB Club (see discussion below), the foregoing challenges were potentially formidable. There was no question but that Sikorn would need to bring to bear all of his business savvy and experience to forestall the prospects of these challenges overwhelming the new business.

Golf Competition in Thailand

Golf businesses encompassed three segments: i) golf courses, ii) golf driving ranges, and iii) golf simulators. In assessing the competitive situation confronting OB Club, Sikorn explained that he did not foresee OB Club ever reaching the point where it could aspire to replace an actual round of golf on a golf course. In his view, the experiences afforded by playing the game on a real golf course (e.g., the feeling of hitting the ball on the fairway, the sensations and impacts of the wind on the trajectory of the ball, the environmental visuals such as trees and mountains) – none of these could be replaced with a simulated environment from a golf simulator. Hence, Sikorn did not see course courses as direct competitors. They offered a different golfing experience for those who wanted “the real thing.”

As for driving ranges, Sikorn believed them to be more in the nature of potential strategic partners, instead of a competitive threat. That is, simulators could be employed at the driving range to allow players to analyze his or her own swing – with of course OB Club providing the technology and earning a fee in return. The golf simulators, however, were another story. Given that they offered the same golf simulator services as OB Club, they clearly had the potential to become a serious competitive threat. There were three major golf simulator establishments in Thailand.

Bangkok Golf Center

Bangkok Golf Center was a technically advanced and complete indoor golf performance center. The center targeted only serious golfers who wanted to improve their swings. The major strength of Bangkok Golf Center was that it had a team of well-qualified instructors holding PGA², TPGA³, and JPGA⁴ certification. All instructors had thousands of hours teaching experience. The center used GC2 and Trackman technology which allowed instructor to analyze swing and ball flight (see Exhibit 9). In addition, the simulator also provided video and software analysis that enabled the instructors to analyze every aspect of a golf swing. Furthermore, the center provided a dedicated indoor short game area that utilized premium green for both chipping and putting. The short game area also had an exclusive sand bunker where students could practice their sand shots. The putting green had VDO and software (see Exhibit 10) to help students improve their putting. Moreover, because the equipment were very important for a player, the center also provided 3D Custom club fitting using advance technologies such as Trackman Pro and K-Vest. The major of revenue of Bangkok Golf Center came from the membership fee and the sale of equipment.

² Professional Golfers ‘Association of America

³ Professional Golf Association of Thailand

⁴ Professional Golfers ‘Association of Japan

KR Golf Studio

Founded by Karl Russel, the golf professional with more than twenty years of coaching experience in Asia, Australia, and the UK. KR Golf Studio was a coaching facility for serious golfers (see Exhibit 11). The studio provided launch monitors, simulators, and high-speed cameras. It studio had short game area for putting and chipping, and provided a quiet and private environment for private lessons. The studio differentiated itself from other indoor golf simulators with Gasp Lab Swing Analysis software, which allowed the user to get instant feedback. It also had a launch monitor technology that measured golf ball flight and speed. The major strength of KR Golf Studio was a coaching facility. The major weaknesses included its small size and poor marketing campaign. KR Golf Studio was not well known even among for serious golfers.

Shane Wilding Golf Center

Shane Wilding Golf Center, or SWGC, was founded by Shane Wilding, one of the most famous golf coaches in Asia. He had two decades of experience in coaching many golf professional in the PGA (Professional Golf of America), European Tour, and Asian Tour. SWGC was the first indoor golf simulator that targeted only serious golfers and that focused on each detail of their swing (see Exhibit 12). The major strength of SW was not technology but golf professionals. SWGC recruited only professional coaches who had records of success. SWGC claimed that they are the largest international team of instructors in Bangkok. Many coaches at SWGC had been successful at both the national and international levels. At its two branches located in the center of Bangkok, SWGC had promotion strategy that allowed prospective customers to have a free one-hour private lesson. In addition, SWGC provided different types of lessons based on the individual's specific needs, such as a putting lesson, a bunker lesson, and a playing lesson.

Long Term Plan: Creation of the golf ecosystem in Thailand

Sikorn had the ambitious vision of making OB Club “the Biggest Golf Community in Thailand and AEC”. He envisioned OB Club as a platform that would combine

each element of golf business together. These elements included 1) Golf Simulation, ii) Golf Content, iii) Golf Academy, iv) Driving Range, v) Golf Course, vi) Golf Tournament, vii) Mobile Shopping, and viii) Golf Game (see Exhibit 13) . The center of the ecosystems would be an IT platform consisting of Mobile Application and Website that linked each component together. Golf simulators were provided through Golfzon technology. For Golf Content, Sikorn had acquired “Swing Golf Magazine” in 2016 to create golf-related content and raise awareness of indoor golf simulators (see Exhibit 14).

For the golf academy, Sikorn had partnered with Chaowarat Golf Academy, one the most famous golf academies in Thailand. the partnership agreement included the use of OB Club and Golfzon technology to train junior golfers. The results from the partnership was quite successful in the sense that it created awareness about indoor golf among junior players. In addition, many junior players often mentioned that playing golf at OB Club was like playing VDO games at home. The use of golf simulators enhanced their planning skill when on a real course.

For driving ranges, OB Club arranged for major driving ranges in Bangkok (including Pothalai and All Start driving ranges) to be equipped with Golfzon technology. This technology enabled golfers to analyze their swing and ball flight in real time. It also allowed golfers to record their video and viewed it later from a mobile application. For the golf course component, OB Club intended to partner with many golf courses in Thailand to create a “smart golf course”. A smart golf course would provide technologies such as mobile application, sensor network, payment gateway, and swing-related data to a player when he/she played a course. For the tournament piece, OB Club hosted indoor golf tournaments for players to compete against each other through the online platform. Players did not have to play at the same time or at the same location, but instead could compete with each other online. Last, OB club intended to create mobile shopping that allowed golfers to sell, buy, or trade their equipment through mobile applications and websites.

What is next?

Sikorn realized that implementing his vision would not be easy. Unlike Korea, golf was not yet a famous sport in Thailand. Golf revenue in Thailand continued to be very much dependent on tourists and expats. For the average Thai person, golf was not an accessible lifestyle, as it was both too expensive and time consuming. He faced a dual challenge: how to raise awareness of golf, and thereby raise the number of Thai golfers, and in addition, how to develop the partnerships with other golf businesses so that OB Club could achieve the paramount goal of becoming the biggest community of golfers in Thailand and the AEC. Prospective partners often did not see the value of joining the ecosystem that Sikorn envisaged.

It was now February 2017 – time for Sikorn to finalize his proposed new business model and strategy in preparation for presentation at the shareholder's meeting.

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Exhibit 1: Golf Market



Source: Repucom

Exhibit 2: Golf Simulator



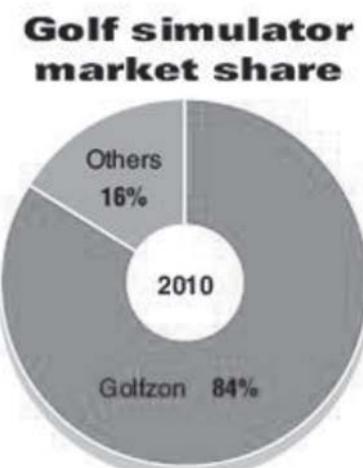
Source: <http://golfsimulator.golf/>

Exhibit 3: Golfzon's Platform



Source: GOLFZON

Exhibit 4: Golf Simulator Market Share



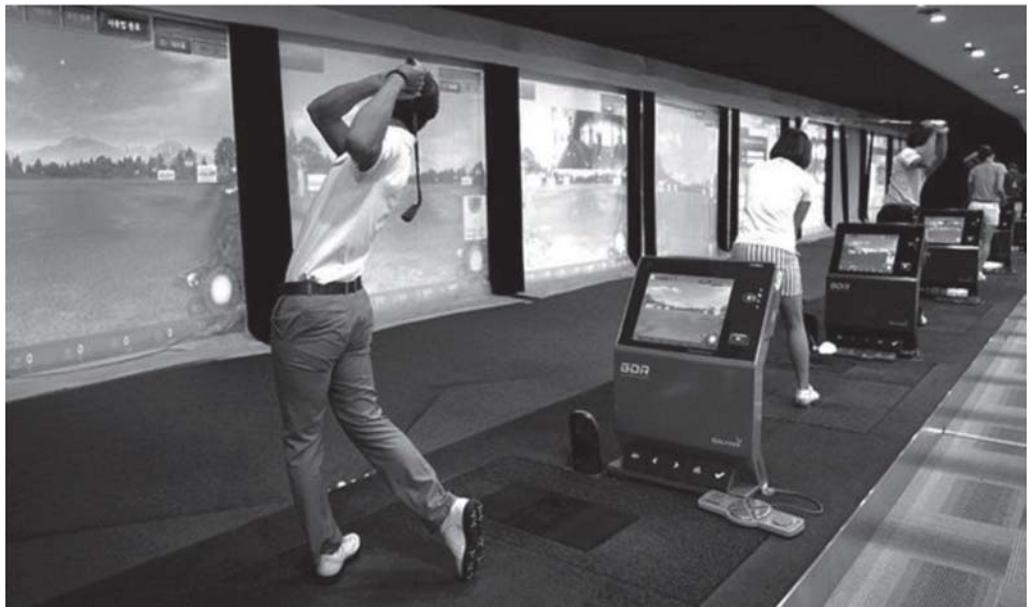
Source: Company data,
Daewoo Securities Research

Exhibit 5: Indoor Golf Simulator



Source: GOLFZON

Exhibit 6: OB Club



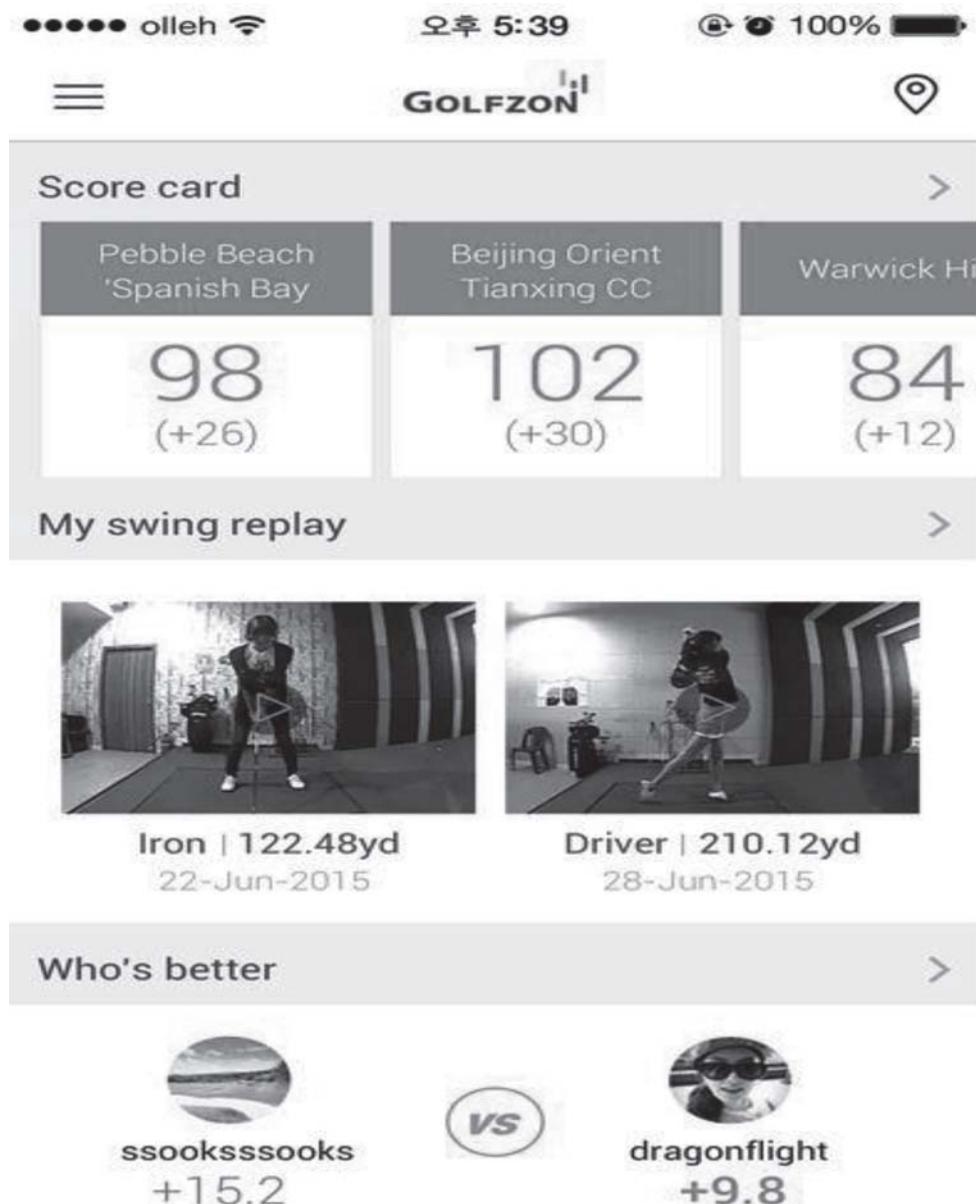
Source: <https://www.obclubs.com/>

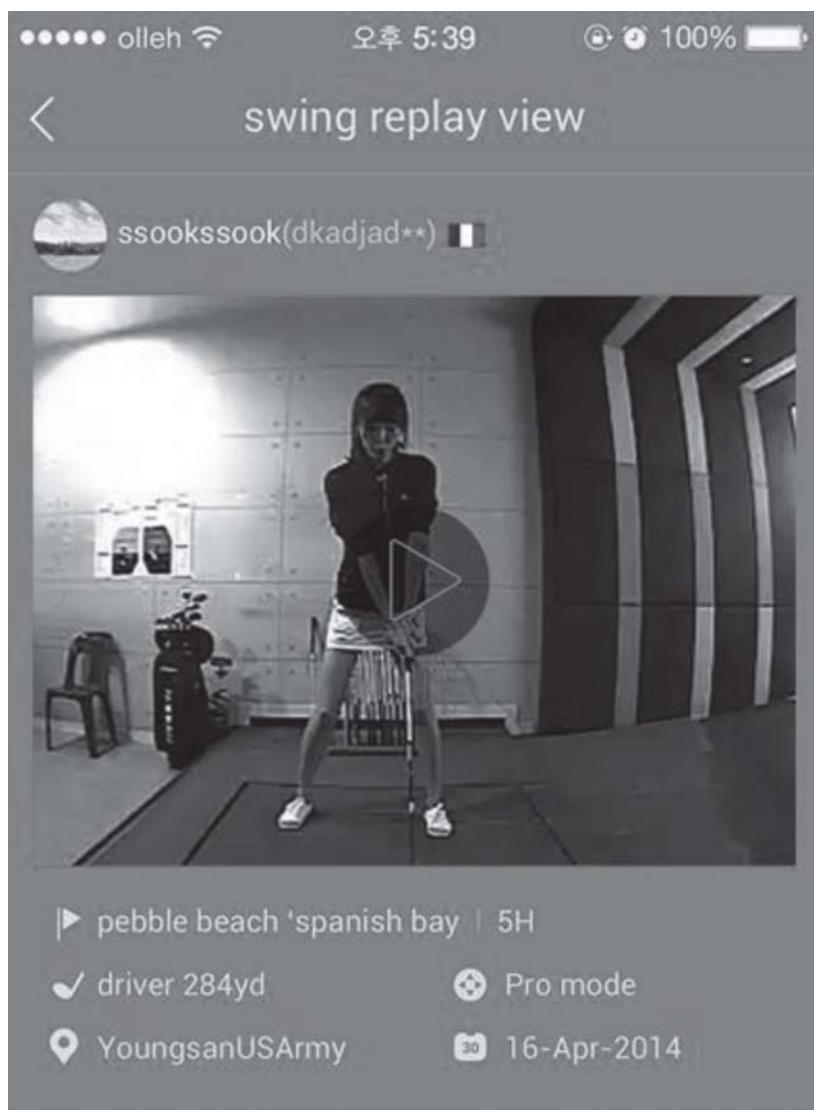
Exhibit 7: the VIP Room



Source: OB Club

Exhibit 8: Mobile Application





Lord Finesse Hole 7 Birdie

It's today's best iron shot nasmo It's today's best iron
shot nasmo It's today's best iron shot nasmo

36

modify

unshare

Source: GOLFZON

Exhibit 9: GC2 and Trackman technology



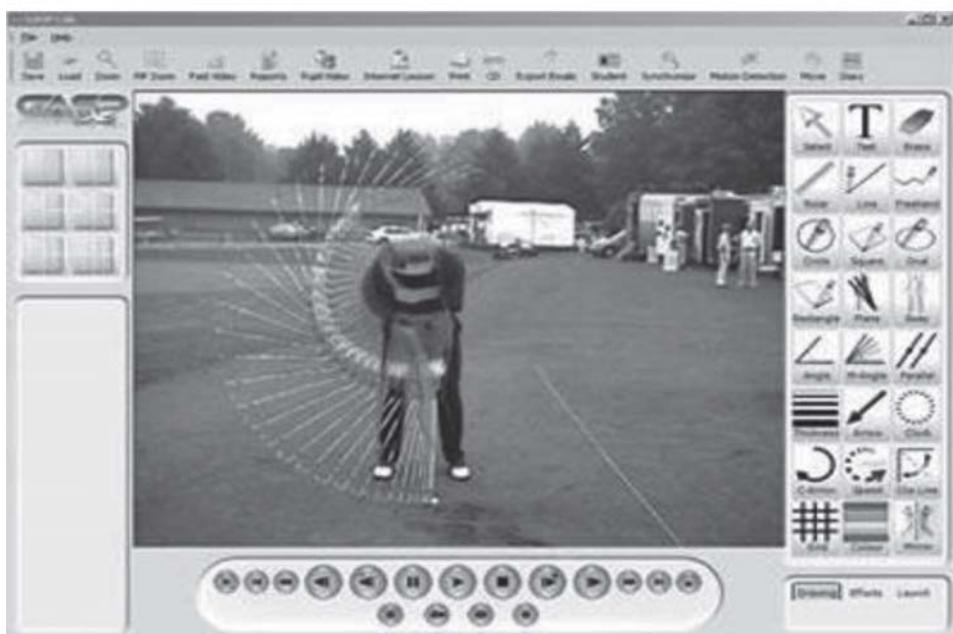
Source: <https://www.thegolflab.co.uk/?lightbox=i11axb>

Exhibit 10: Bangkok Golf Center Short Game Area



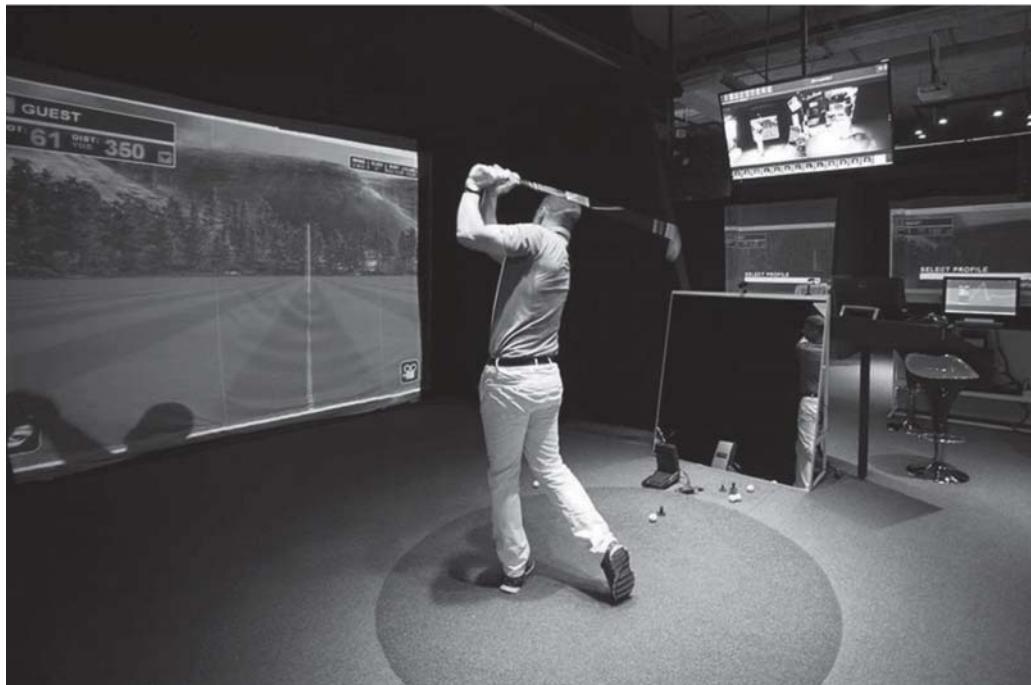
Source: <http://bkkgolfcentre.com/>

Exhibit 11: KR Golf



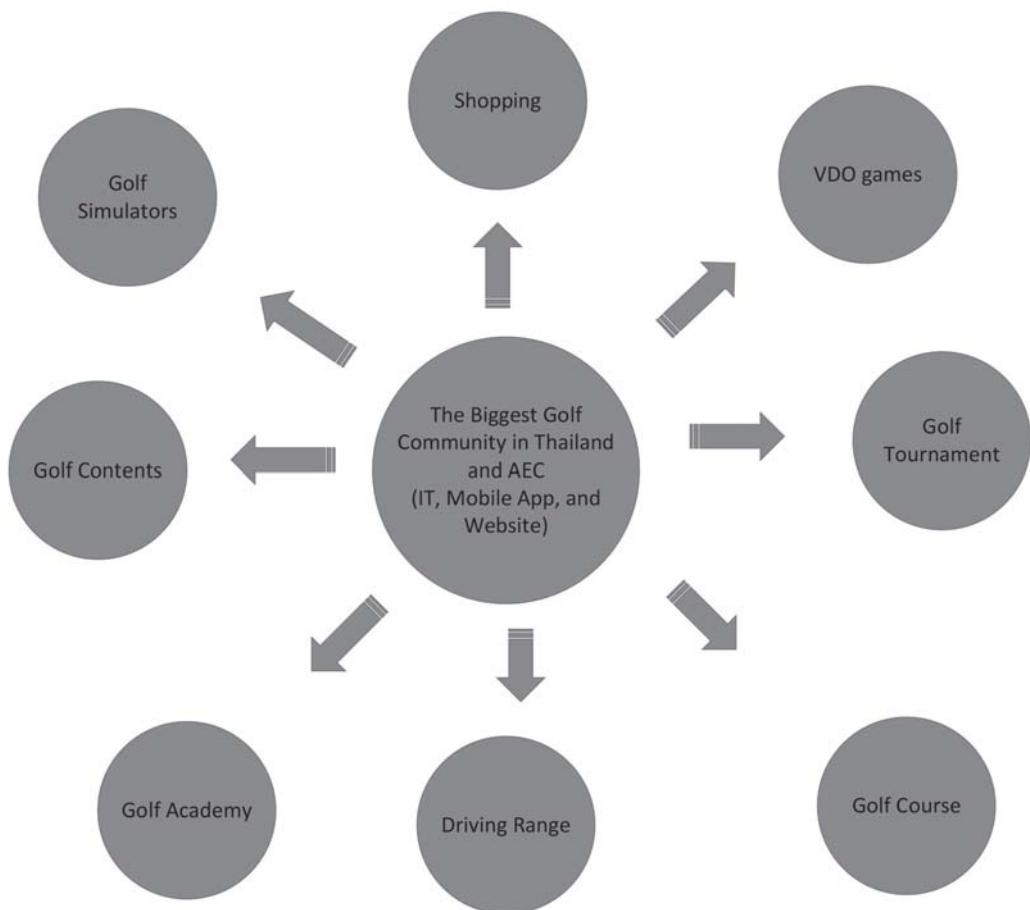
Source: <http://www.krgolfstudio.com/>

Exhibit 12: Shane Wilding Golf Center



Source: <http://www.sw.golf/en/home-3/>

Exhibit 13: OB Club Golf Platform



Source: Author's Image

Exhibit 14: Swing Golf Magazine



Source: Swing Magazine