

Big hitter

Martin Hopley took an enthusiasm for golf and developed it into a globally successful online business





Back in the summer of 2000, at the height of the Wild Web and the internet bubble, venture capitalists were throwing fistfuls of dollars at geeks with back-of-the-beermat business plans.

They spent like lottery winners in Las Vegas – but then came the collapse of Nasdaq and the revolution ate its children. Many of the high-spending, freeloading dot.coms were exposed as dot.cons and dot.bombs.

But while the collective hysteria saw investors effectively setting fire to lorryloads of money in Menlo Park and Clerkenwell, a modest, unassuming golf information website was quietly launched in an Edinburgh backroom with a staff of one.

That company, Golfalot.com, has now become the UK's leading online resource for serious golfers since founder and managing director Martin Hopley has successfully broken into the hugely lucrative US market.

Highly profitable, Golfalot, in the language of the dot.com era, has become the killer application for golfers, offering everything from detailed tour news and competitions, to comprehensive and respected equipment reviews to a sophisticated price comparison service.

The focus is on highly practical, added-value services for keen golfers covering every aspect of the game. Typical of this is the discount green fee database featuring user reviews of courses.

The website attracts an audience of 130,000 golfers a month and registered subscribers receive specialist weekly newsletters, take part in the site's popular online golf tournaments, playing virtual replicas of the world's leading courses and access a wealth of bespoke content including the popular Talk Golfalot online television show. This features a host of famous panellists, including top golf journalist John Huggan and former executive director of the European Tour, Ken Schofield.

The Golfalot.tv online television service also features popular slots such as equipment reviews and instruction from Europe's No.1 golfer Justin Rose who Golfalot has sponsored since 2000. Justin's tips focus on how to play the game strategically and tactically, rather than merely how to swing the club.

The content pays for itself through syndication deals with such major media players as the Telegraph and Virgin and Golfweek in the USA.

Without a great deal of fuss or media hype, Hopley has developed a highly sophisticated but completely user-focused price comparison service that has generated equipment sales of £2.5m last year and is growing strongly.

What started out in the late 1990s as a personal resource has taken off globally. Indeed, Hopley is now just back from The PGA Merchandise Show in Orlando, Florida – the kind of international jet-setting that the dot.coms indulged in with their free-flowing Champagne and frequent flyer trips on Concorde. The difference is that Hopley actually built a highly profitable business first.

A graduate of St Andrews University, in the town that is the spiritual home of world golf, Hopley has the perfect credentials for an online golf entrepreneur: as well as playing off a handicap of two at Gullane and holding the course record at Linlithgow, he also had a successful career in marketing with such leading names as Scottish Equitable and Arthur Andersen.

The site sets itself the specific objective of providing the golfing community with top quality, real time content through the rapidly-expanding internet medium.

“As a golfer I was always frustrated that I could not find a single golfing resource for all matters relating to the sport, often relying on many different media channels to find the latest tournament news, new product detail and course information. I was also highly aware of the growing potential of the internet and felt a great market opportunity existed.

“I wanted a single point that I could go to and magazines focused on instructions and news. I started it as a hobby and personal resource for equipment, news and reviews. There were a lot of golf sites but nothing equivalent to Football 365 or Planet Rugby, which were established brand leaders. Category killers. I saw that Golfalot had a lot of potential.”

Several leading members of Scotland's financial community became backers and put money into the fledgling company. Since all are leading lights in the fund management, stockbroking and investment banking community so their knowledge of the business and finance worlds is as valuable as their ability to form a foursome. A-list mentors is how Hopley describes them.

However, his greatest coup to date is the



appointment of Ken Schofield, the former executive director of the European Tour as a consultant to the company. “Ken has made a big difference. His experience is second to none and he has massive credibility.”

“He also brings with him excellent contacts throughout the world of golf – and his base in England is ideal as most of the manufacturers and sponsors are London-based.”

So how did Hopley build a successful dot.com where so many others crashed and burned: “We only did things that generated a return and built

awareness. Everything on the site must add value – or be unique in its own right. The secret was building more than one channel to make money.”

Initially, this meant running sites for others, including the successful Strokesaver Direct online as well as designing sites for individual golf clubs and Tour players such as Justin Rose. Display and pay-per-click advertising have remained important and growing sources of revenue.

The average industry click-through on >>

DRIVING AMBITION: Martin Hopley believes his secret was building more than one channel to make money

» advertising is 0.01% but Golfalot achieves an average of 0.55% clickthrough on its banner adverts, with some adverts attracting a huge 2.6%. "We are at least 50 times the industry average for advert response," says Hopley.

"Media buyers are still only interested in volume and page impressions but we deliver a superior net result because we know how to target the core audience and when to do it for maximum impact.

"We understand our registered users because we survey them every year. Such surveys reveal the unique penetration of Golfalot. While 87% of subscribers play golf at least once a week, 44% don't buy golf magazines and 43% don't watch golf on Sky.

We send out an email newsletter every Monday morning that summarises all the previous weekend's Tour results plus offers, competitions and very successful betting tips. We have 25,000 subscribers on our database. That list is double-confirmed and cleansed after every mailing. Data capture is very important.

People don't understand the value of data. A cost of £1 a name can be good value if it is the right name.

Internet ads are significantly more trackable and reportable than magazines. We can accurately predict the return for an advertising campaign and then report results during and immediately after it completes, which is something offline advertising cannot match.

Price comparison is at the core of the business model. Having been an early adopter in 2003, Golfalot is now firmly established as the UK's number one golf equipment price comparison site, making it the equivalent of confused.com in car and home insurance.

Following its launch in America 18 months ago it boasts more retailers using its site than any rival in the US. Product reviews are global. "Our content can be replicated anywhere, though we are careful to tailor it to local market needs," says Hopley. "Getting exposure in the US takes us to a new level."

Indeed, Golf Digest, one of the sport's leading publications in the States, has over one million subscribers and a strong online presence, a mouthwatering prospect for Hopley.

However, despite the success of the last seven years, Hopley believes that Golfalot.com is only now achieving critical mass. His keen instinct for marketable innovations will see him continue to develop the price comparison service as well as building Golfalot.TV.

"In video we have the knowledge and the advice. We understand the ethos, which is quality information. Lots of golf television is pretty glib. It's all 'How do you feel?' or 'You must be excited'.

"We stimulate debate through video and use it to promote equipment online. We are getting over 15,000 downloads a month. Internet television is different but it is all about quality control. This is the basis of a full-service, on-demand TV station for golf with syndication all filmed by us. We are becoming a production company."

The site is designed to sit on a mobile telephony platform. That means users can compare prices when they are in the shop looking at a particular



club. Golfalot is currently migrating to a dot.net platform with global log-in. RSS feeds and further new features are coming online soon.

Hopley has been a successful exponent of partnerships but there are two questions he always asks when faced with a business proposition: "Where is the traffic – and where is the money?"

On that basis, from a risk management point of view, he tends to avoid affiliate deals with other sites. There are real concerns here because we have no control over the user once they are passed on to another site, when our return would be dependent on them following a certain course of action.

As golf's popularity continues to grow globally, and as more and more traditional equipment advertisers grasp the potential of online advertising, Hopley's model is highly scalable.

But despite the commercial potential of possible new services such as online video, the ethos remains the same: "We will always be a pure information source for the keen golfer," says Hopley. "Our aim is to save golfers time and money by providing informed golf opinion and information whenever and wherever they want it, as you would expect from a definitive golf website." ■

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