

Golf Cart Manufacturing in the US Industry Market Research Report Now Available from IBISWorld

The industry's performance will shape up over the next five years, after declining golf participation rates hurt demand during the recession, with a rising number of golfers contributing to industry growth. For these reasons, industry research firm IBISWorld has added a report on the Golf Cart Manufacturing industry to its growing industry report collection.

Los Angeles, CA ([PRWEB](#)) January 14, 2013 -- The [Golf Cart Manufacturing industry](#) has been on a bumpy ride. According to IBISWorld analyst Antonio Danova, "Golf cart demand depends on golf courses and country clubs; when golfers reduce visits, the effects reverberate up the supply chain to manufacturers." The bursting of the housing bubble, the financial crash of 2008 and the subsequent recession led to a sharp rise in unemployment, which adversely affected golf cart manufacturers. The industry was dealt a severe blow in 2009, when revenue sank 28.8%. After such a steep drop, however, revenue bounced back markedly in 2010 and 2011, supported by export market demand for golf carts. Conditions have continued improving over 2012, with revenue growth of 6.3% to \$625.2 million anticipated for the year, marking an annualized growth rate of 2.3% since 2007.

Golf carts (i.e. golf cars or self-propelled golf carts) are typically used on golf courses and country clubs. However, they are also used in other facilities, such as retirement villages or vacation resorts. "Because of its dependence on golf demand, golf cart purchases have been hurt over the past decade," says Danova. Declining golf participation rates among Americans and the related weakness in the establishment of new golfing facilities across the United States negatively affected industry demand. Electric golf carts are considered the first mass-produced electric vehicles for private consumer use. While gasoline-powered golf carts were eventually developed, the industry has increasingly shifted back to purely electric models over recent years. Rising fuel prices, noise pollution, emissions regulations and customer demand for more energy-efficient and environmentally friendly vehicles have forced producers to develop new models. This trend will likely continue over the next five years, particularly as current electric battery-powered models still achieve less usage time and distance than gasoline engine carts.

The [Golf Cart Manufacturing Industry's](#) market share concentration is medium and has increased during the past five years. Despite the lack of acquisitions, the industry's largest firms, Textron and Ingersoll Rand, have pumped money into their respective subsidiaries, E-Z-GO and Club Car. This strategy has allowed these firms to increase their market shares by expanding their manufacturing capacity. Additionally, concentration increased during the recession as smaller players pulled back expenses, in turn, producing fewer golf carts. This trend led to larger players absorbing a larger share of the market, despite the fall in sales activity. While the drop in sales negatively affected most industry players, market shares for the largest players increased as smaller players became increasingly concerned with their financial stability during that period.

Over the five years to 2017, IBISWorld projects that the number of golf carts sold in the United States will increase at an average annual rate of 3.0% to about 78,570. Further recovery in the US economy and a growing number of golfers will support demand, though the participation rate is projected to remain stable at about 8.8% of the population. Industry growth will increasingly depend on demand from foreign economies. From 2012 to 2017, IBISWorld projects industry revenue will grow.

For more information, visit IBISWorld's [Golf Cart Manufacturing in the US industry report page](#).

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Industry firms manufacture golf carts. These products are used for transportation on golf courses and to a lesser extent, for transportation in gated and elderly communities.

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