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MEET THE MODERN GOLF INDUSTRY CUSTOMER

AGIC
Australian Golf Industry Council

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GROWING PARTICIPATION IS A KEY STRATEGIC OBJECTIVE FOR GOLF IN AUSTRALIA

Understand and engage current and potential golf participants – to drive participation and ensure the continued relevance of the sport to future generations

WE BEGAN THIS PROGRAM OF WORK WITH TWO SIGNIFICANT CHALLENGES AND A CLEAR VIEW OF WHERE WE NEEDED GO

1. No single source could provide a benchmark estimate of market size, against which strategic participation objectives could be measured

2. Limited understanding of what current and potential participants want from the sport and barriers to participation not well understood

THE RESEARCH ENABLED US TO SIZE THE AUSTRALIAN MARKET

The "Traditional" Market

0.39m

Number of **golf club members** (Australian Golf Participation Report 2014)

1.15m

Number of Australians 18+ who have **played a round of golf** in the last 12 months (includes the 0.39m members)

The Broad Golf Market

2.10m

Number of Australians 18+ who have **picked up a golf club** to play or practice golf, or a form of golf, in the last 12 months (includes the 1.15m playing rounds)

The Potential Market

6.91m

Number of Australians 18+ who have **not played any form of golf** in the last 12 months and **would not reject** playing golf in the future

A RANGE OF PARTICIPATION DRIVERS AND BARRIERS WERE HIGHLIGHTED THROUGH THE RESEARCH

Golf is seen as a low intensity sport, allowing appreciation of the outdoors but it is also seen as:

Expensive
59% of current players,
68% of potential players

Exclusive
40% of current players,
49% of potential players

Having too many rules and regulations
28% of current and potential players

Over and above cost, key needs to encourage play amongst potential players are:

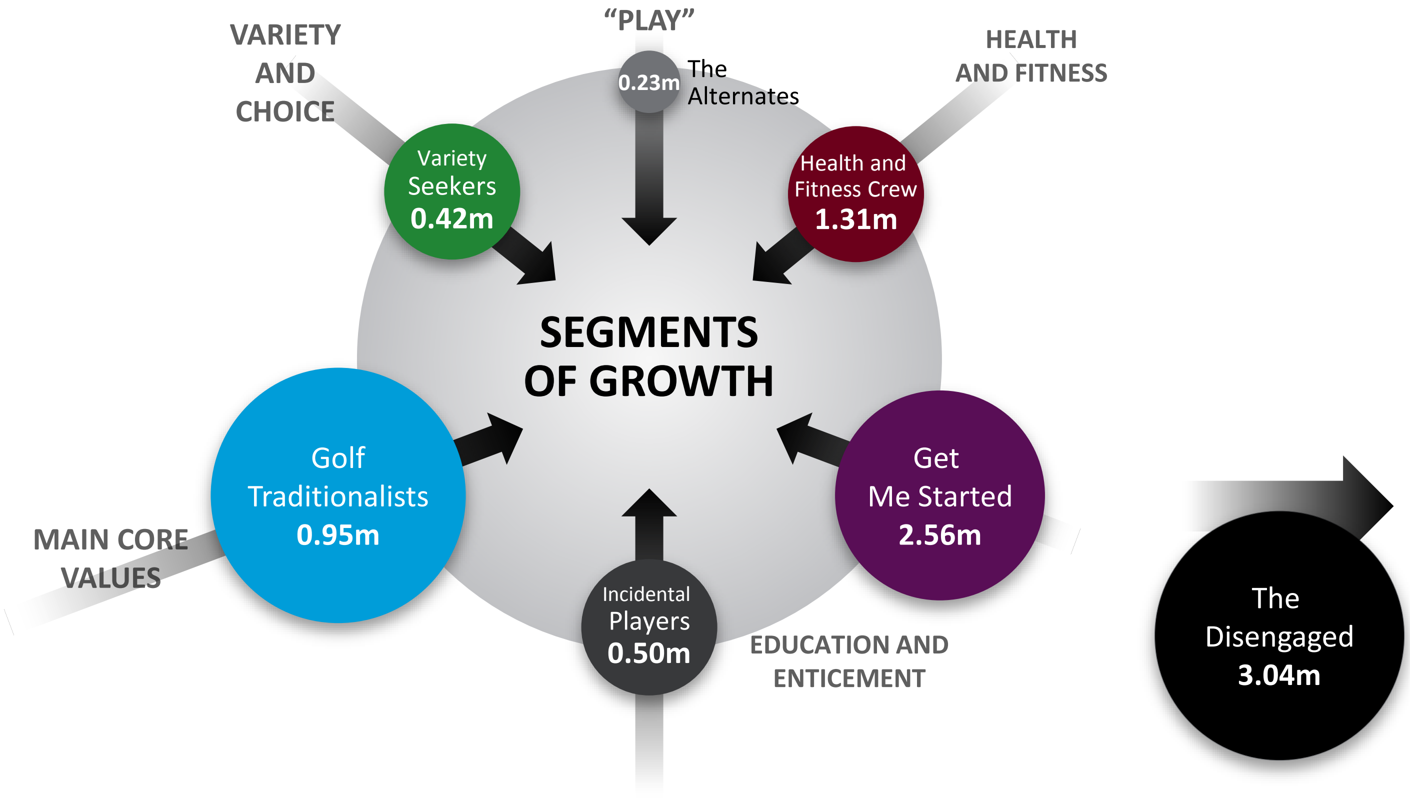
Fun and social options
32%

Connection with people I can play with
30%

Options to play a short game
31%

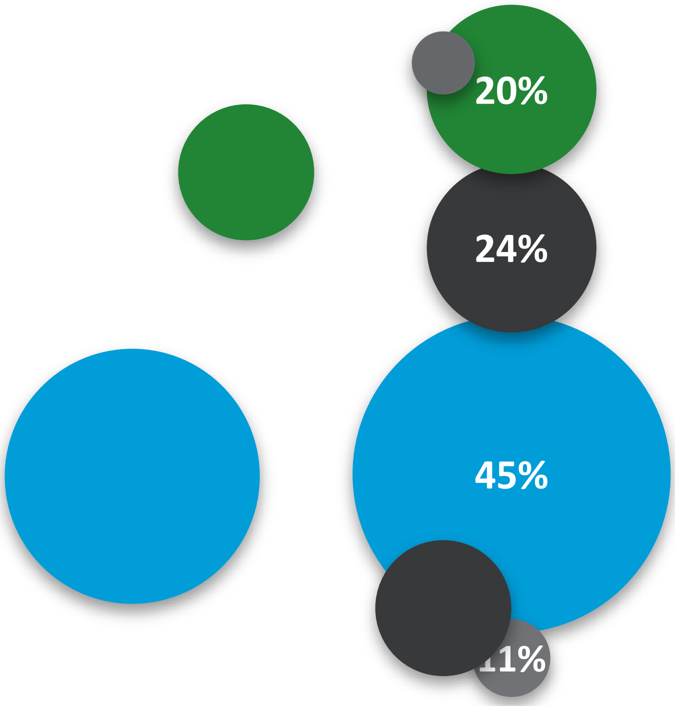
A clear pathway for learning and development
27%

FIVE KEY THEMES FOR ENGAGEMENT AND GROWTH WERE IDENTIFIED ACROSS SIX MARKET SEGMENTS

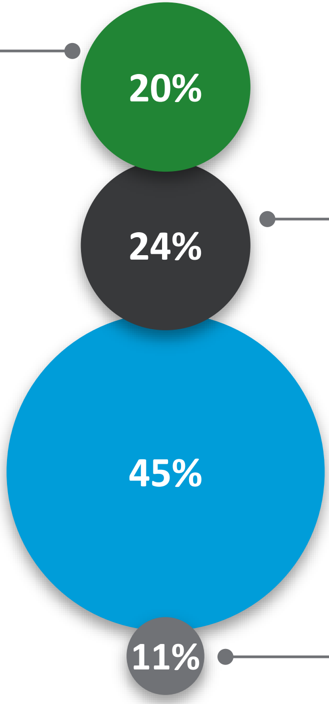


THE CURRENT PLAYER MARKET

THE CURRENT PLAYER SEGMENTS



THE CURRENT PLAYER SEGMENTS



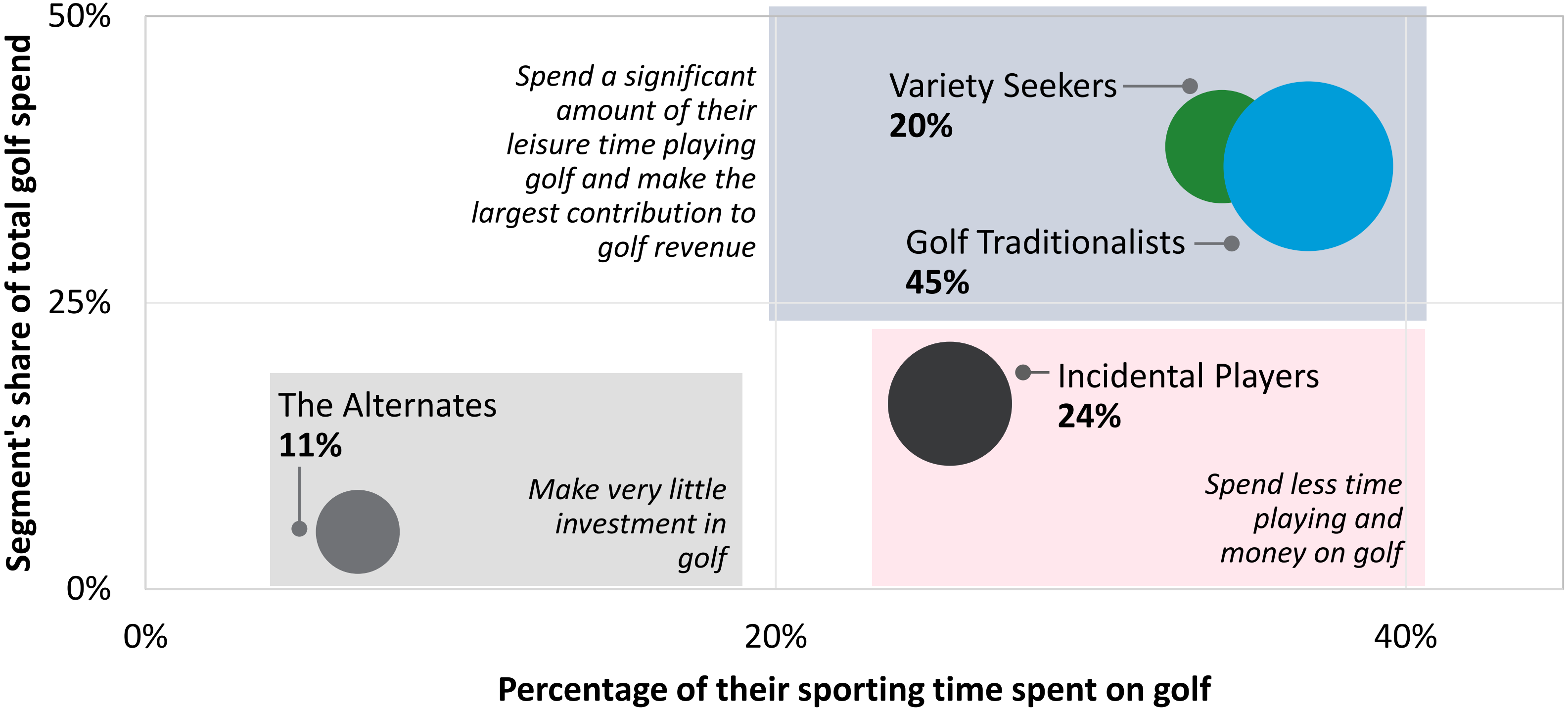
0.42m
Variety Seekers

0.50m
Incidental Players

0.95m
Golf Traditionalists

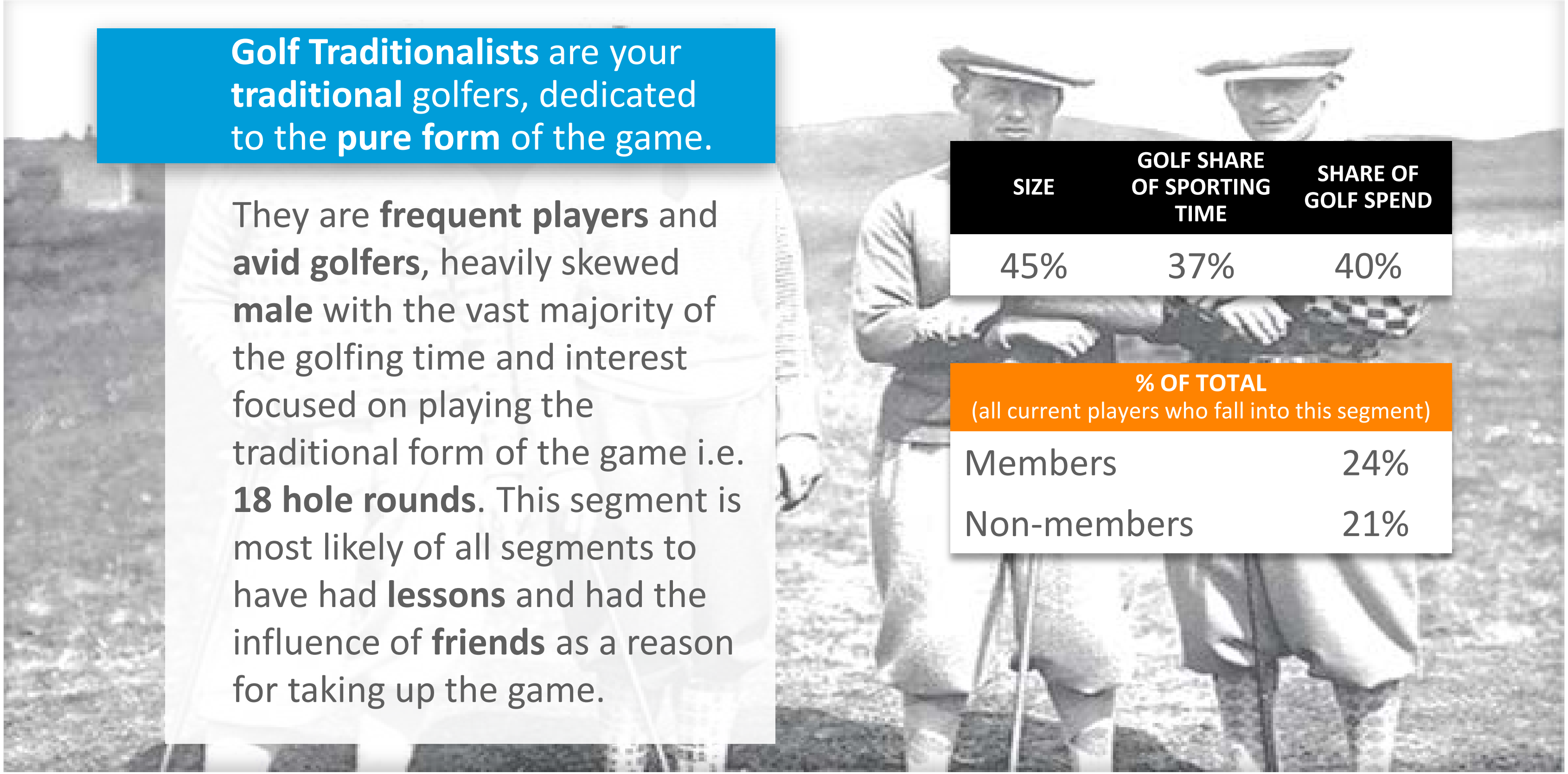
0.23m
The Alternates

TWO SEGMENTS GENERATE 79% OF ALL GOLF SPEND



Base: Current players n=807 (weighted to reflect members by location and gender)

GOLF TRADITIONALISTS: SEGMENT OVERVIEW



Golf Traditionalists are your **traditional** golfers, dedicated to the **pure form** of the game.

They are **frequent players** and **avid golfers**, heavily skewed **male** with the vast majority of the golfing time and interest focused on playing the traditional form of the game i.e. **18 hole rounds**. This segment is most likely of all segments to have had **lessons** and had the influence of **friends** as a reason for taking up the game.

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
45%	37%	40%

% OF TOTAL (all current players who fall into this segment)	
Members	24%
Non-members	21%

GOLF TRADITIONALISTS
SUMMARISING THE OPPORTUNITY

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
45%	37%	40%

Golf Traditionalists		
	Product focus	18 hole rounds, social golf clubs (e.g. Qantas Golf Club)
	Core message	The traditional game – social and fun, low intensity but still challenging

MEMBERS

MAINTENANCE

» More relaxed dress regulations
» A more welcoming environment
» Better customer service at clubs
» Not interested in new products
» Protection of their interests as the game evolves

NON-MEMBERS

ENGAGEMENT

» Stay connected and maintain their interest and engagement during their ‘family years’, when they are likely to play less
» Be flexible, help them to maintain their skills and offer a pathway to develop them

VARIETY SEEKERS: SEGMENT OVERVIEW

Variety Seekers are frequent golfers who appreciate the traditional game; they play **rounds** but also like to experience **other aspects** and **formats** of the game.

The majority of this segment are aged between **30-49 years** and they are the most likely of all segments to have **families**. They are an **active** group and place high importance on **keeping fit in a variety of ways**. They want to **improve their game** and **flexibility** is one of their key requirements.

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
20%	34%	39%

% OF TOTAL (all current players who fall into this segment)	
Members	12%
Non-members	8%

VARIETY SEEKERS
SUMMARISING THE OPPORTUNITY

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
20%	34%	39%

Variety Seekers	**Product focus**	All forms of the game; variety, health and fitness will be key elements of appeal
	Core message	Golf provides variety – the traditional game is great but there are other formats which can get everyone involved, including the family

MEMBERS

MAINTENANCE

- Appeal to the variety seeking nature of this group
- Flexible membership options
- Enable them to experience new formats of the game

NON-MEMBERS

ENGAGEMENT

- Deliver family friendly options
- Variety is key – give them different ways to involve the family, whilst treating themselves to the occasional round with friends

INCIDENTAL PLAYERS: SEGMENT OVERVIEW

Incidental Players are infrequent golfers who have largely **stumbled** into the game of golf.

It is a **young segment**, with 4 in 10 of them under 30 years of age. They are **less likely to have had any golfing influence** from either parents or friends and, for many, their **first foray into golf was a driving range or an event** where they found themselves on course. They will play, but are **yet to be convinced** of the benefits and are at increasing **risk of disengaging** completely as each year passes.

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
24%	26%	16%

% OF TOTAL (all current players who fall into this segment)	
Members	14%
Non-members	10%

INCIDENTAL GOLFERS

SUMMARISING THE OPPORTUNITY

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
24%	26%	16%

INCIDENTAL GOLFERS		
	Product focus	Great opportunity to pull through to the traditional game (rounds) through their early experiences, but highlighting low commitment options and variety will also be key
	Core message	There's more to golf than you think

EDUCATION & CONVERSION

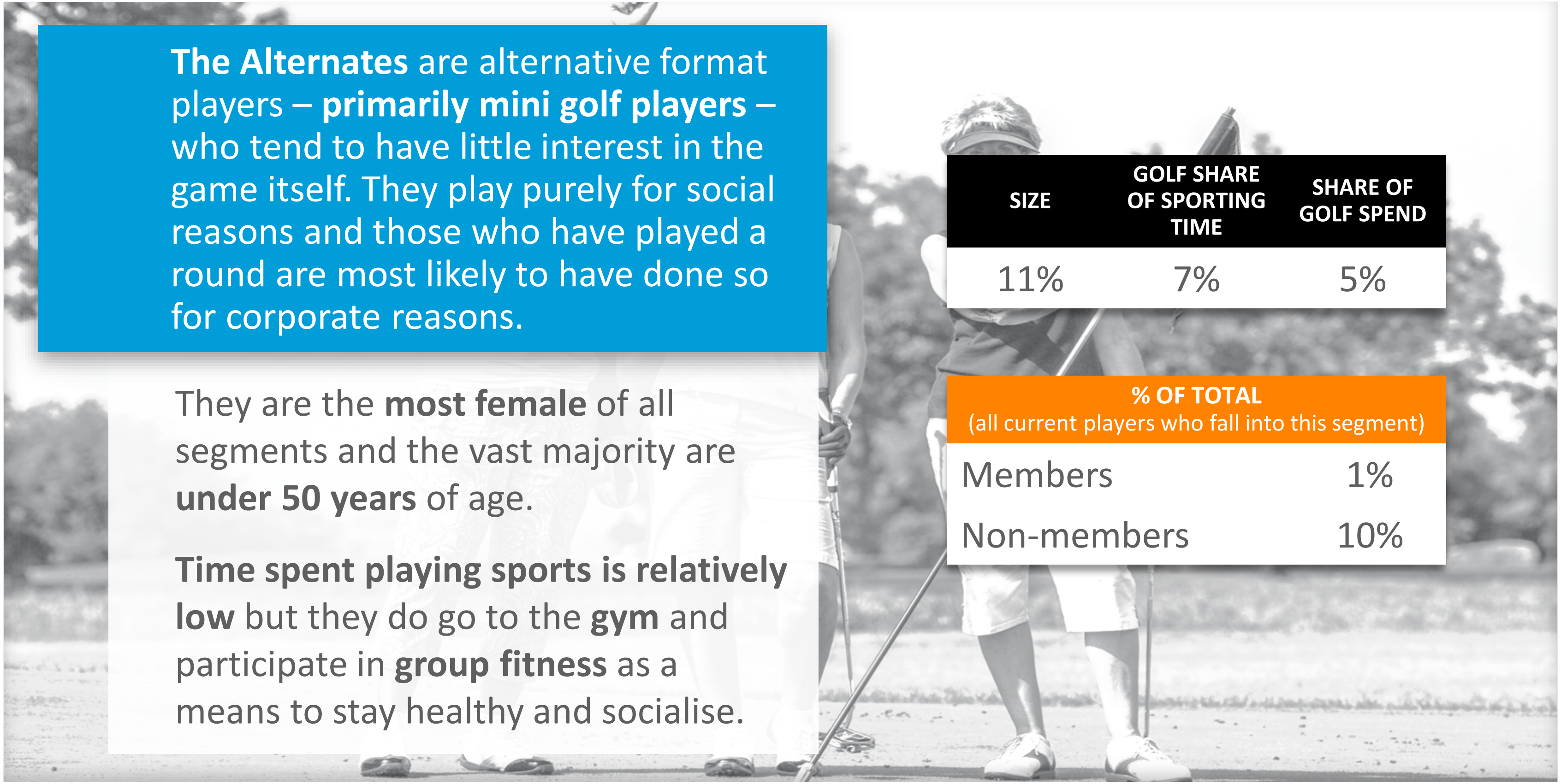
» Make them feel at home on the golf course and at clubs and facilities through fewer rules and regulations

» Educate them about the variety of options the sport offers

» Continue to improve customer service at clubs and educate through better equipment advice, information about etiquette, etc

» As they come into contact with golf, engage them through initiatives, opportunities and programs that have a strong social component

THE ALTERNATES: SEGMENT OVERVIEW



The Alternates are alternative format players – **primarily mini golf players** – who tend to have little interest in the game itself. They play purely for social reasons and those who have played a round are most likely to have done so for corporate reasons.

They are the **most female** of all segments and the vast majority are **under 50 years** of age.

Time spent playing sports is relatively low but they do go to the **gym** and participate in **group fitness** as a means to stay healthy and socialise.

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
11%	7%	5%

% OF TOTAL (all current players who fall into this segment)	
Members	1%
Non-members	10%

THE ALTERNATES

SUMMARISING THE OPPORTUNITY

SIZE	GOLF SHARE OF SPORTING TIME	SHARE OF GOLF SPEND
11%	7%	5%

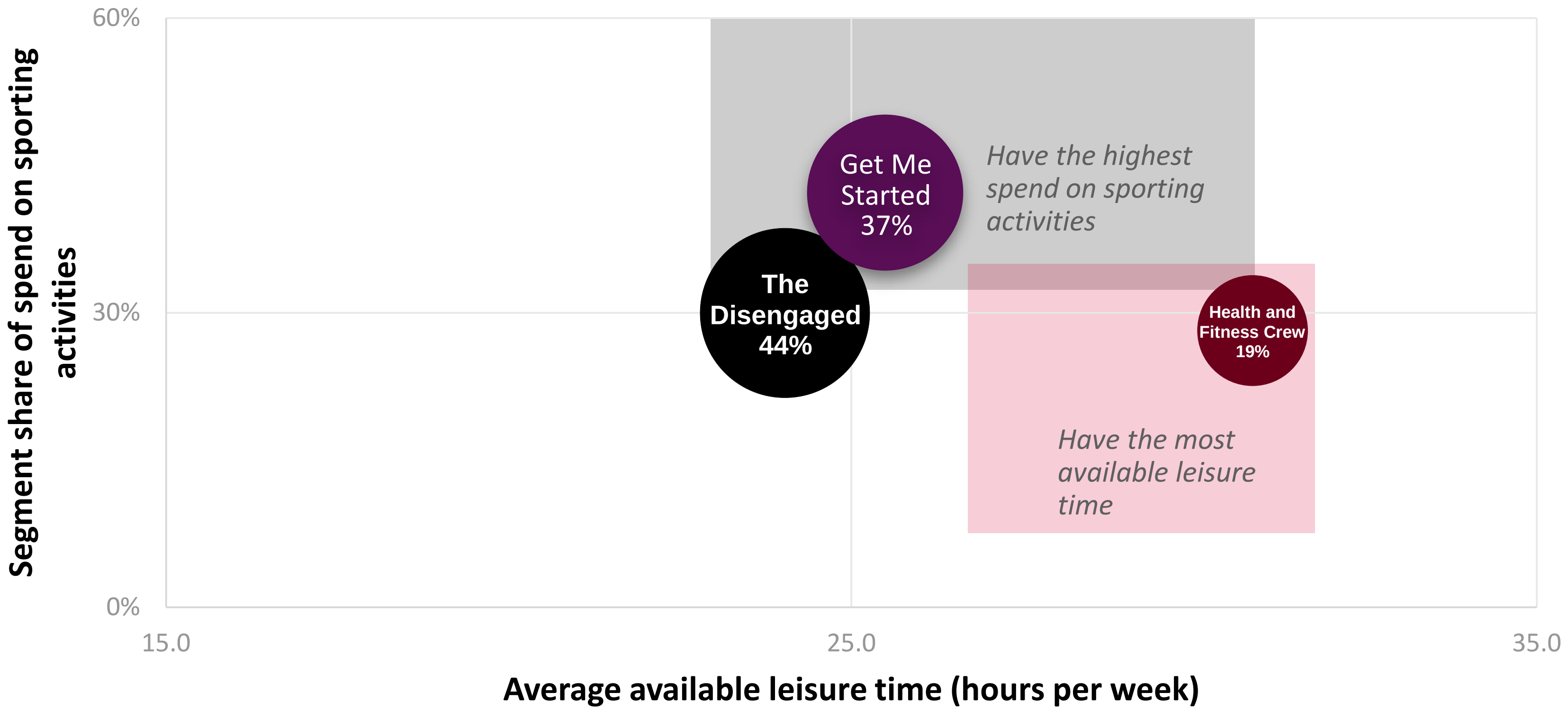
THE ALTERNATES		
	Product focus	Non-traditional forms of the game
	Core message	Golf is fun and for everyone

ACQUISITION (TRANSITIONING TO THE COURSE)

- » Demonstrate to them that, just like mini golf, golf can be relaxed, exciting and fun
- » Show them that the sport is not elitist
- » Consider taster and trial sessions, short games and relaxed game formats
- » Make them feel at ease and relax rules and regulations
- » Focus less on the ‘sport’ more on healthy, social and fun aspects

THE POTENTIAL MARKET

SPEND AND LEISURE TIME SPLIT THE SEGMENTS



THE HEALTH AND FITNESS CREW: SEGMENT OVERVIEW

The Health and Fitness Crew is skewed towards **females** who currently have a low interest in golf.

As the name suggests, the segment is focused on **general "health and wellbeing activities"** which are easy to get involved in (i.e. require little equipment) such as going to the gym, yoga, swimming and participating in group exercise activities.

This is a fairly stable group across age brackets, and **most have yet to try golf**.

SIZE	SPORTING TIME AVAILABLE	SHARE OF FITNESS SPEND
19%	4.2 hrs	28%

% OF TOTAL (all current players who fall into this segment)	
Have tried / played golf before	8%
Have never played golf	11%

THE HEALTH AND FITNESS CREW

SUMMARISING THE OPPORTUNITY

SIZE	SPORTING TIME AVAILABLE	SHARE OF FITNESS SPEND
19%	4.2 hrs	28%

THE HEALTH AND FITNESS CREW	**Product focus**	Health and fitness (e.g. Swing Fit)
	Core message	Golf is good for general health and fitness, easy to get into and highly social

ACQUISITION

- » There are similarities, from a strategy perspective, to the approach to targeting The Alternates – demonstrate to them that golf is exciting, fun, not elitist
- » Product development and marketing should dial up health, fitness and social elements
- » Dial down the sport and competition and demonstrate that golf is easy to get into, requires minimal equipment required
- » Taster and trial sessions of short games and experiences will appeal and create interest, as will relaxed game formats

GET ME STARTED: SEGMENT OVERVIEW

The **Get Me Started** segment represents both **males and females across all ages** who have a stronger stated interest in golf.

Although **two thirds of them have been to a course / driving range or store** and have therefore had contact with the sport, they are likely to have been heard saying “I’d like to give it a go, but I **don’t really know where to begin**.”

SIZE	SPORTING TIME AVAILABLE	SHARE OF FITNESS SPEND
37%	3.3 hrs	42%

% OF TOTAL (all current players who fall into this segment)	
Have tried / played golf before	17%
Have never played golf	20%

GET ME STARTED

SUMMARISING THE OPPORTUNITY

SIZE	SPORTING TIME AVAILABLE	SHARE OF FITNESS SPEND
37%	3.3 hrs	42%

GET ME STARTED		
	Product focus	Introductory programs
	Core message	Accessibility and awareness – show them where and how, and how much fun they will have

ACQUISITION

» Create awareness and interest through marketing that is tailored to their demographic (e.g. relevant ambassadors)

» Supplement with high quality introductory programs and experiences

» Provide easy access to good equipment, offer flexibility and ensure the cost of entry is low

» Offer shorter game formats to ease transition to the course

» A ‘whole of sport’ participation brand?

WHAT DOES THIS ALL MEAN FOR YOU?

FIVE BIG OPPORTUNITIES AND THE ENABLERS OF SUCCESS

Whole of sport approach, building on best practice

The five big opportunities for driving golf participation in Australia

1. Get me started!
2. Shorter version(s) of the game
3. Health and fitness
4. Relaxed and fun
5. Flexible membership models

Confront existing perceptions

Moments and experiences that matter

Remove unnecessary barriers to participation

Understand the consumer value proposition of golf

Segmentation of clubs and facilities

CHANGE WILL CREATE TENSIONS WITHIN THE SPORT, BUT THESE CAN BE MANAGED

Traditions and heritage
18 holes
One course setup
Etiquette and rules
Members-only
Long and slow
Exclusive
Relaxation and a post round drink
Standard membership
Escape the family

Potential tensions and golf brand stretch to consider

Managing the Tensions

- Co-existence
- Types of clubs
- Zones within clubs
- Times of day
- Rotations and swaps
- Days of the week

Innovation
Shorter versions
Multiple course setups
Relaxed approach and dress codes
Visitors welcome
Short and fast
Inclusive
Fitness, health and wellbeing
Membership options
Include the family

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AN UNCOMMON SENSE OF THE CONSUMER™

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Get involved in Golf Month 2016

GOLF MONTH | OCTOBER

Our industry-wide golf participation campaign

1. Win now!
   - Register as a Golf Month facility at www.golfmonth.com.au during the Golf Business Forum
   - One lucky facility will be awarded $500 to put towards promoting and running a Golf Month event
2. Plan and upload your Golf Month event (suggestions included in the clubs and facilities guide in the Golf Month portal)
3. Promote your activity locally (tools available in the clubs and facilities guide in the Golf Month portal)
4. Promote our exciting consumer competitions (details and collateral coming soon)
5. Take advantage of the national media investment promoting Golf Month across TV, radio, social and digital.