CANADIAN GOLF CONSUMER BEHAVIOUR STUDY

Conducted by NAVICOM on behalf of the National Allied Golf Associations (NAGA)

EXECUTIVE SUMMARY:

The National Allied Golf Associations (NAGA) have released a Canadian Golf Consumer Behaviour Study aimed at helping the Canadian golf industry to better understand the current state of golf in Canada as well as factors that influence the behaviour of consumers as they relate to golf.

The purpose of conducting the Canadian Golf Consumer Behaviour Study was to gather insights and intelligence that can enable NAGA (comprised of the National Golf Course Owners Association Canada, the PGA of Canada, the Canadian Society of Club Managers, the Canadian Golf Industry Association, the Canadian Golf Superintendents Association and Golf Canada) as well as the Canadian golf industry to better understand consumer behaviour characteristics in Canadian golf; uncover actions which offer an opportunity to sustain the game in Canada; and improve on factors that impact consumer behaviour as it relates to golf in Canada.

As a resource document, the study provides a measure of research related to the Canadian golf industry which is rooted in statistical-based facts. The ultimate goal of the study is to provide statistical and predictive insight that can serve as a learning resource for the Canadian golf industry as it works to better understand factors that have a positive and negative impact on Canadian golf consumer behaviour.

METHODOLOGY:

The study was conducted on behalf of NAGA by NAVICOM, a firm which specializes in delivering intelligence that focuses specifically on deciphering choice. Based on a nationwide survey of more than 1,300 responses, the study explores interest and support for the game; involvement in the game; level of play; level of engagement among respondents; behaviours; beliefs; demographic and psychographic segments; and benefits that drive growth.

An important distinguishing consideration of the study is that it focuses on the ***effective population*** – defined as the population of Canadians who are capable of playing golf. The effective population was estimated by reviewing Statistics Canada census data and eliminating portions of the population based on age (too young or too old), health (infirmity or disability), finances (significantly below poverty line) and location (no golf facilities within a reasonable proximity.

The effective population considered for the study was approximately 21.2 million Canadians. The total effective population of golfers considered for the study was approximately 5.7 million Canadians.

Among the effective populations of golfers, players were categorized as being **Avid Golfers** (25+ rounds/year); **Frequent Golfers** (9-24 rounds/year); **Occasional Golfers** (3-8 rounds/year); and **Infrequent Golfers** (a couple of rounds/year).

THE FOCUS:

The focus of the measurement in this study is on two metrics:

1. The amount that golfers play the game
2. The amount that golfers spend on the game

The measure of engagement is statistically associated with spend. The more engaged a consumer, the more they are likely to spend.

Building on the power of statistical science, NAVICOM consultants interpreted the analysis to summarize the intelligence from the study into four segments:

1. Market Dynamics:	[Who is in the market / What segments exist / What core beliefs guide their actions / Demographics / Behaviours (What they do; How they act]
2. Market Drivers:	[What drives consumer behaviours related to the Canadian golf industry / What are the benefits that drive decisions / How can the Canadian golf industry best deliver on the benefits (programs, actions, initiatives)]
3. Market Implications:	[What are the opportunities and risks faced by the Canadian golf industry / What are strengths and weaknesses of Canadian golf industry / How can the Canadian golf industry best leverage the opportunity]
4. Market Actions:	[What are the hierarchy of actions to drive success / How should the Canadian golf industry focus actions on growing the game]

THEMATIC BENEFITS OF THE GAME OF GOLF:

In trying to uncover why people play the game of golf and why some play more and some play less, the study bundles rationale under five thematic benefits of the game of golf:

1. Community of the game
2. Challenges of the game
3. Leadership in the game
4. Pride in the game
5. Worth of the game

CORE FINDINGS:

1. Among the population of approximately 5.7 million golfers, the number of people entering the game is equal to the number of people leaving the game (18% or approximately 1.026 million people).

2. Among the population of golfers, the number of golfers playing fewer rounds (38%) is greater than the number of golfers playing more rounds (14%).

3. There are fewer golfers today with either a child or a related junior playing the game then golfers who entered the game at that same age demographic.
    - 17% of today's golfers took up the game as a child (6 – 11 years) while only 7% of today's golfers have a child (6 – 11 years) that plays
    - 23% of today's golfers took up the game as a junior (12 – 17 years) while only 9% of today's golfers have a junior (12 – 17 years) that plays

4. There is a fundamental lack of engagement among consumers in the Canadian golf industry (engagement is defined as playing, following, supporting and endorsing the game).
    - Those that are engaged represent 25% of the golfer population (approximately 1.4 million people) while 75% of the golf population (approximately 4.3 million) are of the mind that they can 'take or leave the game'.

5. The majority of rounds are being played by less than 26% of golfers (approximately 1.5 million people).

6. There is a limited interest in the sport outside of those who already participate in the game.
    - Roughly 73% of Canadians (15.4 million people) do not play golf (based on the effective population of 21.2 million people)
    - Of those, 12% – the same number that have a child or spouse that plays the game – are very interested in the game (approximately 3 million people)
    - 3% believe that they are likely to take up the game in the next 3-5 years (approximately 600,000-700,000 people)

7. The game has a focused appeal across the effective population (well educated / higher income / male dominated / attracts executives, professionals, sales & service, trades and retired / little ethnic diversity – although changing with Canada's ethnic demographic). This finding represents both a positive in terms of the strength of that base of players but also a threat in terms of its current narrow focus across the effective population.

KEY LEARNINGS:

1. Time and money constrain the playing of the game - they do not drive the game (prior to the study, the industry would say time and money are the drivers).

2. Engagement with the game is emotional and self-expressive – it is not functional (it's about how the game makes golfers feel).

3. The game today is both vulnerable and on the cusp of greatness.
    - Vulnerable because too large a portion of playing population not engaged with the game.
    - On the cusp of greatness because you have a very large population of players who play the game even though they're not engaged.

    The opportunity to move some portion of those currently unengaged golfers to engaged status could be a significant breakthrough in the golf industry.

4. Men and women see much differing value in the game. Although women will tell you top of mind that they have an interest in playing the game, statistically they associate with "the game is not worth the cost". Conversely, men statistically associate with "the game is worth the cost."

5. There is a recognized, identifiable progression by golfers coming in and going out of the game. *Golfers come in young and enthused…as they get older in the game, they begin to lose some enthusiasm…as they continue to age, they tend to get more disillusioned and they begin to leave the game*. The largest influx into the game are 18-25 year olds; the largest outpouring of the game are 46-59 year olds; and we see in 26-35 year olds the flattening of enthusiasm within the game.

6. We now know statistically what distinguishes people who play a lot of golf from people who play some, people who play a little and people who don't play. The degree to which they agree they are having fun, being social, enjoying themselves, meeting/besting challenges, they are proud, they are inspired, they see leadership that is moving the game forward.

SUSTAINING THE GAME:

The opportunity to sustain and grow the game is twofold – increasing engagement among the approximately 4.2 million golfers who are Infrequent (approximately 2.2 million) or Occasional (approximately 2.0 million) plus some percentage of the 73% of Canadians who do not play the game today.

- The Infrequent and Occasional golfers who represent the growth opportunity for golf in Canada account for 74% of the effective population – approximately 4.2 million individuals.
- Avid and Core players statistically associate with spending more. These segments already play more and spend more than other segments and statistically associate with spending more in future (they are already playing and spending as much as they can and those that can spend more & play more in the future will do so).

Sustaining the game will require an integrated cooperative approach across the Canadian golf industry:

- Messaging and actions focused on "It's a game for life"
- Innovation is required to help players overcome the time & money challenges. Innovative ways to:
    - Shorten courses (takes less time to play)
    - Simplify courses for beginners (innovation around the game in introductory stages i.e. beginner times to play, fewer holes to play, etc.)
    - Lower costs
- Opportunity for entry level equipment, apparel and accessories
- Easier playing courses or "graded" courses to help people navigate through the game on appropriate courses for their level of play
- Make environmental issues a pride play (messaging around agronomy best practices as well as research and innovation to reduce environmental impact of course conditioning)
- Integrated learning (group learning, internet lessons, virtual coaching, etc.)
- Find ways to make lessons simple, easy and cost effective
- Help new players to feel welcome
    - Help golfers to overcome some of the challenges (i.e. securing convenient tee times, find play partners, improve the game, etc.)

CONCLUSIONS:

In order to drive engagement and subsequent increases in rounds played and dollars spent on lessons, equipment, apparel, accessories and in the club house, it is essential to have more golfers statistically associate with the benefits of the game of golf.

The Canadian golf industry must work together to find innovative ways to show golfers that the game and everything attached to the game is; fun, enjoyable, social, challenging but winnable, inspiring, prideful and lead edge.

The game needs more engaged/loyal consumers – arguably more than it needs new participants

From a consumer behaviour perspective, success means getting golfers more engaged by playing more, following more, supporting more and spending more. The degree to which that measure goes up has all sorts of impact. The more engaged golfers are, the more they will spend.

APPENDIX:

Player description	**Rounds/year**	**Estimated Population**	**Error margin + -**
Avid	25 +	684,000	4.10%
Frequent	9 to 24	798,000	3.70%
Occasional	3 to 8	2,052,000	2.40%
Infrequent	a couple of games	2,166,000	2.30%
Total Golfer Population		**5,700,000**	1.40%
Census Population - Canada (Statistics Canada)		33,400,000	
Effective Potential Golfer Population		**21,200,000**	
Players entering the game		1,026,000	3.30%
Players leaving the game		1,026,000	3.30%
Golfers playing more rounds		798,000	3.76%
Gofers playing same rounds		2,736,000	2.00%
Golfers playing fewer rounds		2,166,000	2.29%
Today's golfers who started as a child (6 – 11 year old)		969,000	3.65%
Today's golfers who have a child playing (6 – 11 year old)		399,000	5.30%
Today's golfers who started as a junior (12 – 17 year old)		1,311,000	2.90%
Today's golfers who have a junior playing (12 – 17 year old)		513,000	4.70%
Golfers 18 – 25 years old		912,000	3.50%
Golfers 26 – 35 years old		1,254,000	3.01%
Golfers 46 – 59 years old		1,368,000	2.90%