GBAS
GOLF BUSINESS ADVISORY SERVICES

Back of the Cup

A NEWSLETTER CONCERNING THE BUSINESS OF GOLF

Golf Participation in 2010 and its recreational relevance...

For a few years now we have focused on golf’s annual participation numbers as reported by the Australian Sports Commission (ASC) in its ERASS (Exercise, Recreation and Sport Survey) Report. Tracking the movement each year has given the industry some insight into what is happening with wider participation and the subsequent movement between club based and casual golf.

The 2010 Report is the 10th consecutive report published by the ASC. Released two months ago, it was reported that in 2010 Australia was home to 1.17 million golfers aged 15 years or over. After a few years of back to back declines in the absolute number, golf’s participation numbers have now levelled out to a reasonably consistent 1.1 to 1.2 million participants per year.

Let’s look at these numbers in more detail, revealing what is happening by frequency of play and age group.

Frequency of play

The 2010 data indicates that the share of market for each level of play frequency is consistent with the rolling four year average. The share of the Infrequent/Occassional isn’t moving, but get these folk to engage more with the industry (and retain the others) and the industry would really be on a winner. In the absolute, the only category seeing declining numbers are at the very high frequency. A result to key an eye on.

These numbers are summarised in the table below.

Frequency	% Participation rate	% difference to 4 year average	2010 % Mix of Participants
1-6 times (Infrequent)	264,000	+2%	22%
7-12 times (Occasional)	184,000	+1%	16%
13-26 times (Core)	152,000	+9%	13%
27-52 times (Keen)	292,000	+3%	25%
53-104 times (Avid)	202,000	+3%	17%
104+ times (Avid)	82,000	-10%	7%
	1,176,000	**+2%**	**100%**

Source: ASC

Age

Reviewing the 2010 numbers by age clearly illustrates in which basket golf's eggs sit right now. If it wasn't for growth in the older age brackets holding up participation, the declines being experienced in the younger years would be having an even greater impact on total numbers. The 55 to 64 market provides the highest level of participation with this group and the 65 year plus market now accounting for 43% of the total market.

As flagged in the BOTC edition concerning Junior Golf, long term numbers will be driven by an early exposure and then return to golf. It is hard to return to something you don't know.

Participation by age is set out in the following table.

	% Participation rate	2010 Participants	2010 %	% difference to 3 year average
15-24 years	1.8	53,500	5%	-26%
25-34 years	5.5	167,100	14%	+11%
35-44 years	7.1	222,400	19%	+3%
45-54 years	7.6	230,800	20%	+3%
55-64 years	9.5	238,700	20%	-3%
65+ years	9.4	264,500	22%	+9%
Total	**6.7**	**1,177,000**	**100%**	**+2%**

Source: ASC

Recreational Relevance

The 2010 ERASS Report indicates that the percentage of the population participating in golf however has slipped to just below 7% as the total wider population over 15 years increased in 2010 by approximately 384,000 people to 17.7 million. As population increases, if golf's numbers don't go up proportionately, then the percentage participating falls. This is a proxy measure for golf's recreational relevance to current society.

With the numbers set out, let's look at why, from a particpation sense, the sport isn't maintaining its share of wider participation. Whilst there are a number of sports that might grab a golfer once a year, we look at the sports that make up the top ten sports overall, including in both the organised and non-organised forms as surveyed by the ASC. Totalling some 16 sports (excluding Walking) in all (Aerobics/Fitness, Running, Cycling, Football, AFL, Cricket, Lawn Bowls, Touch football, Weight training, Fishing, Basketball, Netball, Bushwalking, Golf, Tennis, and Swimming), these sports account for approximately 30% of all the 55 sports measured annually by the ASC, and evidence of their size, these sports cover 60% of all types of recreation participated in.

As golf is only one sport within the wider recreation/sports choices that can be made, it follows that we should be interested in what is happening across all of recreation as this will allow golf's results to be put into perspective. If particpation in recreation is falling, then the results outlined above don't inidcate what the wider issue is.

By working with the ERASS data, one is able to determine the share that each of these sports have and whether or not the changes in golf participation are due to changing overall interest in recreation or whether the changes are more specific to the game itself.

It isn't for this article to outline how society is changing but we all accept it is. No one will argue that there are more options available to consumers than ever before and that society is seeking more instant solutions in all that it does. The challenge therefore for all of our historically key sports is how to continue to fit into the consumer's recreational solutions. It is fair to say that most sports are wrestling with this challenge, golf included.

So what is happening with wider levels of recreation particpation? The overall trend since 2001 has been a modest annual increase. Highlights from the 2010 ERASS Report are:

- Just over 82% of the population participated at least once annually in physical activity for exercise, recreation or sport, up from near 78% in 2001.
- When excluding non participants (zero frequency) participation frequency averaged 3.1 times per week, up from a 2.9 average in 2001.
- In 2010 the regular participation rate in any activity was just under 48%, unchanged from 2009 and slightly up from the result of 47% recorded back in 2001, explained by an increase in non organised activity.
- In 2010 participants took part in an average of 2.2 different sports, compared to 2.1 in 2001.

In summary, there is indeed more recreation particpation now happening and we are all doing more at a slightkly highe frequency. Good news for golf is that there is a bigger, more active market avaialble to it.

The table below shows the total participation number over the 9 year period from 2001 to 2010 in the top 16 sports.

	Total Participants		
Year	Top 16 Sports	Organised	Non Organised
2001	14,283,600	5,320,100	9,480,100
2010	18,407,000	6,460,400	13,397,900
% CAAG	+3%	+2%	+4%

Source: ASC
Note: CAAG = Compound Annual Average Growth

As is evident, the largest growth has come in the non organised sector, as total participants have grow annual by some 4% over the period, double the organised sector.

Let's now take a look at how golf is faring over this same period compared to three of its peer sports. The sports selected as the peer sport alternatives to golf – those that provide the similar benefits to golf (exercise, camaraderie, a challenge and social activity) and which presently have a similar share to golf across the key age brackets - are tennis, lawn bowls, and cycling.

Note: Despite stating above that golf's absolute numbers have held steady now for three consecutive years, the longer term review as set out below states the absolute numbers at the beginning and end of the period. The purpose of this table is to illustrate what has happened in the other peer sports over the same period.

Sport	Share Increase within Peer Sports			Share Increase Total All Sports
	Organised	Non Organised	Total	
Cycling	+11.3%	+10.9%	+11.5%	+1.2%
Lawn Bowls	+2.8%	+1.2%	+1.1%	-0.1%
Golf	-4.8%	-2.1%	-3.3%	-2.3%
Tennis	-9.3%	-10.0%	-9.3%	-4.0%

Source: ASC

It is apparent that within this peer group, the sport of cycling has significantly outperformed its immediate peers, growing its share by near 12 points, almost equally between organised and non-organised from. These numbers confirm what many have been saying for a while, in that Cycling is the new golf, and for that matter Tennis as well. Lawn Bowls has also seen progress via both participation options, albeit to a much smaller degree than Cycling.

Results for both Golf & Tennis show that they have lagged both their peer sports as well as the wider participation choices. Golf mainly in the organised environment (nothing new about that) and Tennis across the board. To me this suggests that you need to have reasons for continued engagement with the sport. Two weeks of 12 hour coverage of a sport on free to air TV doesn't seem to guarantee particpation in the sport. Satisfaction still needs to be delivered at the coal face.

There is no doubt however that to arrest the declines outlined above that one of the requirements is solid platform to build from. That comes in spades this summer. Question is will it be maximised and prove to be of longer term benefit to the industry? Let's hope so

Jeff Blunden
Managing Director of GBAS

About Golf Business Advisory Services (GBAS)

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