Ipsos Marketing

ANALYSIS OF THE QUÉBEC GOLF MARKET'S POTENTIAL

REPORT PREPARED ON BEHALF OF THE TABLE DE CONCERTATION DES ASSOCIATIONS DE GOLF (GOLF INDUSTRY STANDING COMMITTEE)

Septembre 2013

Dossier: 13-015019/ 12731F

1. Objectives of this initiative

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1. Evaluate the current and potential markets of golfers

2. Identify sensitive issues and behaviours of various targeted populations:
   - Current players
   - Former players
   - Non-players
   - Junior players, to a lesser extent

3. Understand the needs and expectations of these target groups

4. Identify the various profiles forming the target population, based on sociodemographic data as well as on their motivations and behaviours

Elaborate various marketing and management strategies in order to reach clienteles with the highest potential for the golf industry that aims to increase course visitation and acquire new clientele.

2. Québec golf market

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2. Québec golf market

Presence of golfers amongst Quebecers

Adult population in the province of Québec: ***6,356,555***

Former golfers (23 %)

1,462,007 Quebecers

Non-golfers (61 %)

3,813,933 Quebecers

Active golfers (17 %)

1,080,614 Quebecers

Adult population in the province of Québec, Statistics Canada 2011

2. Québec golf market

Market highlights

Does NOT intend on starting to play golf (55%)

3 ,496,105 Quebecers

Does NOT want to start playing golf again (15%)
953,483 Quebecers

Active golfers
17%

1,080,614 Quebecers

Former golfers
23%

1,462,007 Quebecers

Non-golfers
60%

3 813 933 Quebecers

over-represented amongst:

- 35-54 years of age
- Men
- Montréal
- Workers
- University graduates

WANTS to start playing golf (5%)

317,828 Quebecers

WANTS to start playing golf again (8%)

508,524 Quebecers

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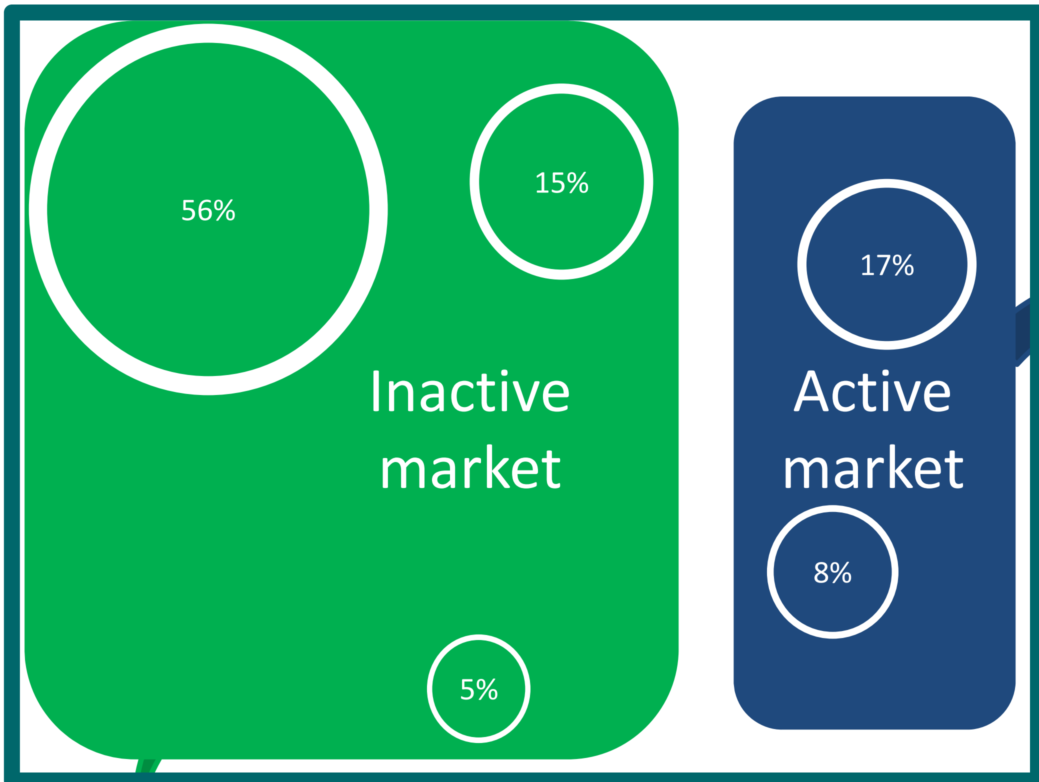
2. Québec golf market

Market highlights



Strategy #1
Increase course visitation

Strategy #2
Increase clientele

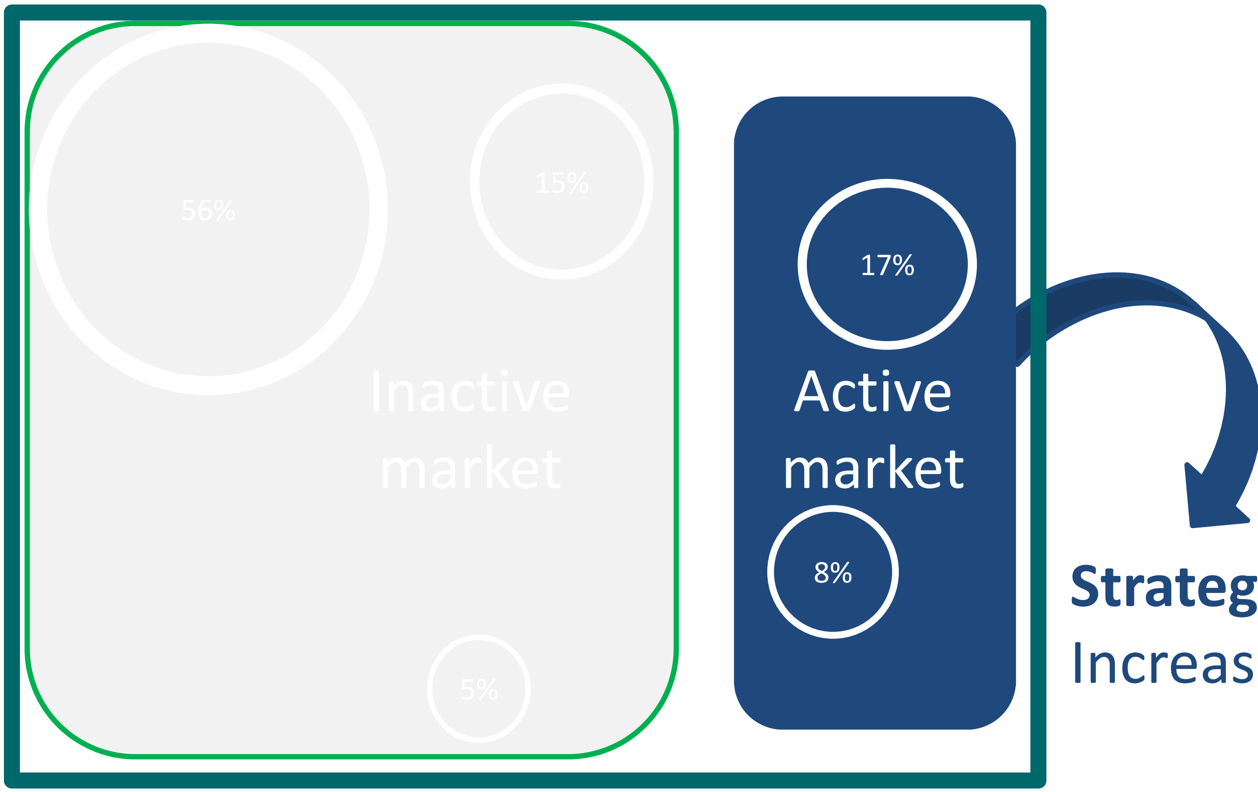
3. Active market highlights

25%
1,589,138
Quebecers

Active golfers + former golfers willing to start playing again

3. Active market highlights

Market highlights



Strategy #1

Increase course visitation

3. Active market highlights
Segmentation analysis

25%
1,589,138
Quebecers

Golfers are all not choosing their golf course for the same reasons

- Segmentation enables us to take several variables an form new groups of variables that are called factorial axes. These axes are actually criteria that **enable us to better explain the consumption habits, values, and behaviours of players in regards with choosing their golf course.**

- Segmentation enables us to create profiles – segments – and link them with motivation, sensitive issues, and habits that lead to **identifying groups with the highest potential of increasing the frequency of golf practice.**

3. Active market highlights

Sensitive issues in regards to choosing a golf course

25%
1,589,138
Quebecers

NOT important

High end

(Social status and skills of players, prestige, marketing/advertising, etc.)

Provided services

(Food and beverage, teaching, professionalism, proshop, etc.)

Course

(Design, difficulty, course conditions, panorama, etc.)

Social

(Bar, familiarity, club house, proximity of accommodation, etc.)

Accessibility

(Affordable rates, proximity, discounts, low traffic, etc.)

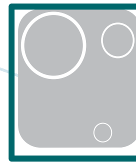
Time consuming

(Slow pace of play, high traffic)

VERY important

3. Active market highlights

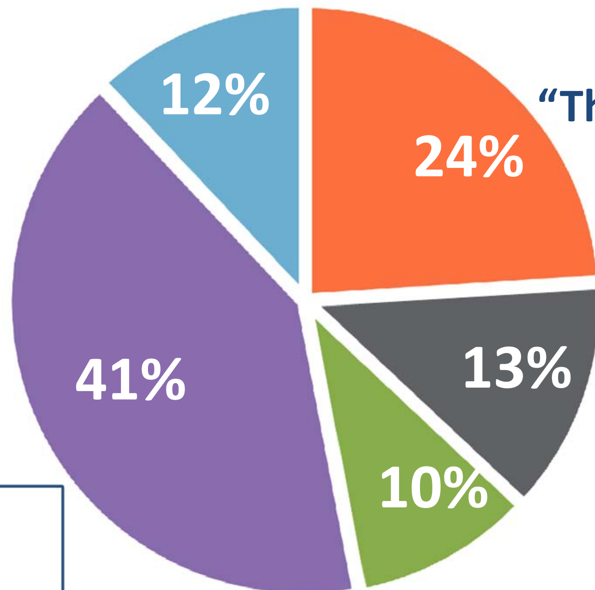
Five profiles of golfing habits



25%
1,589,138
Quebecers

The game… and nothing else!
Considers himself as an intermediate or advanced golfer, will only care for **the course**: design, conditions, panorama, skills level etc. Other **services** are of **no interest** to him.
Irritated by: **high traffic** on courses.

"The die hard fan"



"The beginner dilettante"

Golf is for **entertainment** more than a sport, a great opportunity to get out of the house.
Impulsive player who will chose to golf depending on weather of the day.
Irritated by: costs, traffic, duration of a golf round, and dress code restrictions.

"The grey power"

Looking for a **global experience**, at a reasonable price.
Prefers a **well groomed** and eco- friendly course, **modern equipment and a large array of services.**
Irritated by: costs and obsolete facilities

"The *PR people*"

Golf…or **après-golf**?
Golf = is an **opportunity for networking**, whether it is for fun or for business.
Irritated by: expensive equipment, duration of the golf round, strict dress code.

"The VIP purist"

Golf with a capital G, **as it should be**; golf is his **passion.**
Gives preference to a **high end course** based on its reputation, panorama, and difficulty.
Irritated by: poor course conditions.

3. Active market highlights
Five profiles of golfing habits

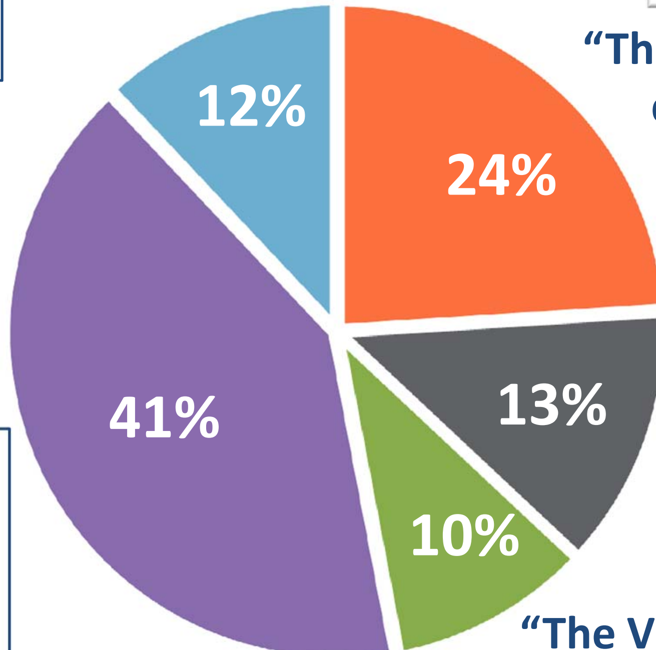
25%
1,589,138
Quebecers

"The die hard fan"

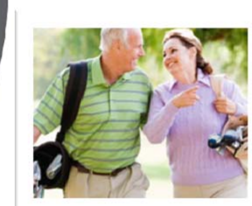
20%
of played
rounds

"The beginner dilettante"

11%
of played
rounds



"The grey power"

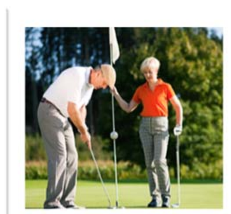


17%
of played
rounds

"The *PR people*"

16%
of played
rounds

"The VIP purist"



32 %
of played
rounds

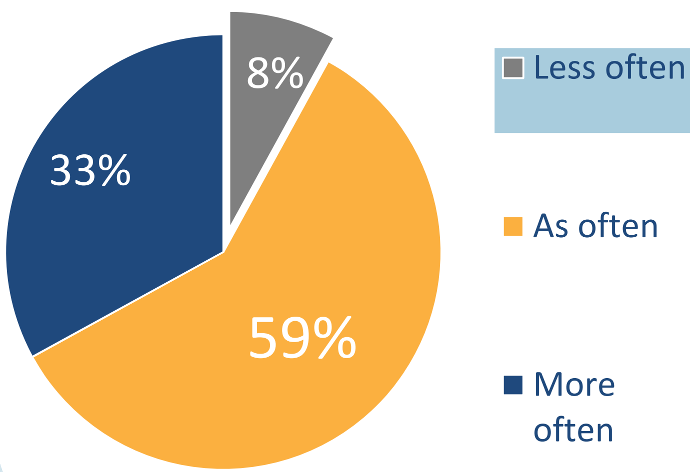
3. Active market highlights

Intention to play golf in the future – active golfers

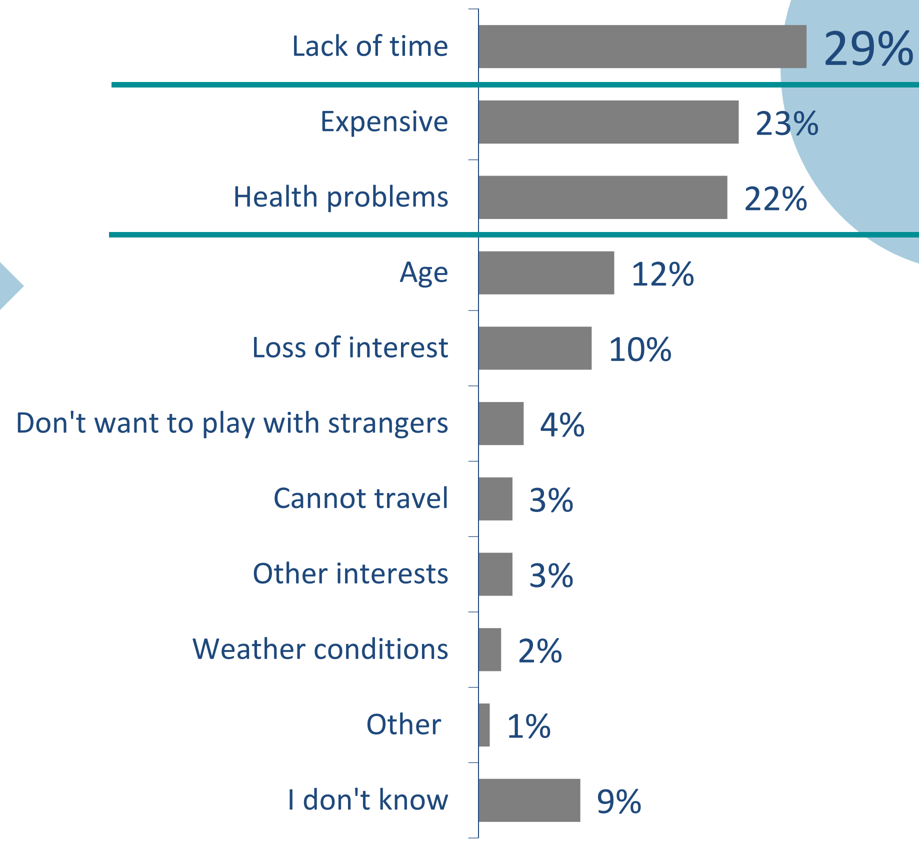
17%
1,080,614
Quebecers

Good news! They truly intend to continue on play

INTENTION OF PLAYING IN THE NEXT 2 OR 3 YEARS



REASONS THAT WOULD LEAD TO **PLAYING LESS OFTEN**



Q9. Will you be playing golf in the coming 2 or 3 years…
Q9a. Why would you play golf **less often** in the coming 2 or 3 years? (n=78)

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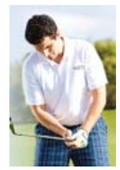
3. Active market highlights

Number of rounds played – active golfers

17%
1,080,614
Quebecers

31 rounds

Average number of rounds played in 2012


	% of players	Average number of rounds
VIP purist	10%	46
Die hard fan	12%	35
Grey power	13%	26
PR people	41%	24
Beginner dilettante	24%	16

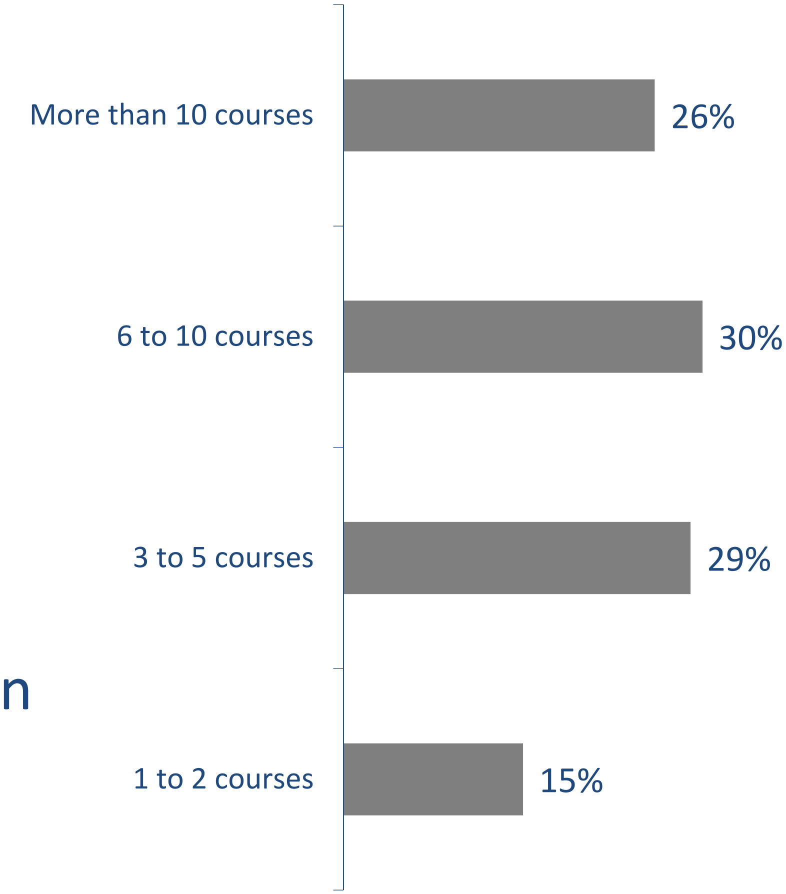
Q18. How many rounds of golf have you played in the past season (2012)?

3. Active market highlights
Fidelity – active golfers

17%
1,080,614
Quebecers

9 courses

Average number of golf courses visited in a year



Q10. On average, how many golf courses do you visit every year?

3. Active market highlights

Type of purchased product – active golfers

17%
1,080,614
Quebecers

18 holes… that's the rule!

Number of holes played

9 — 12%

18 — 88%

Ideal number of holes in a round

18 — 61%

Q18. Most of the time, do you play 9 or 18 holes?
Q18a. If you had the choice and in the best case scenario, how many holes would you play in a golf round?

3. Active market highlights

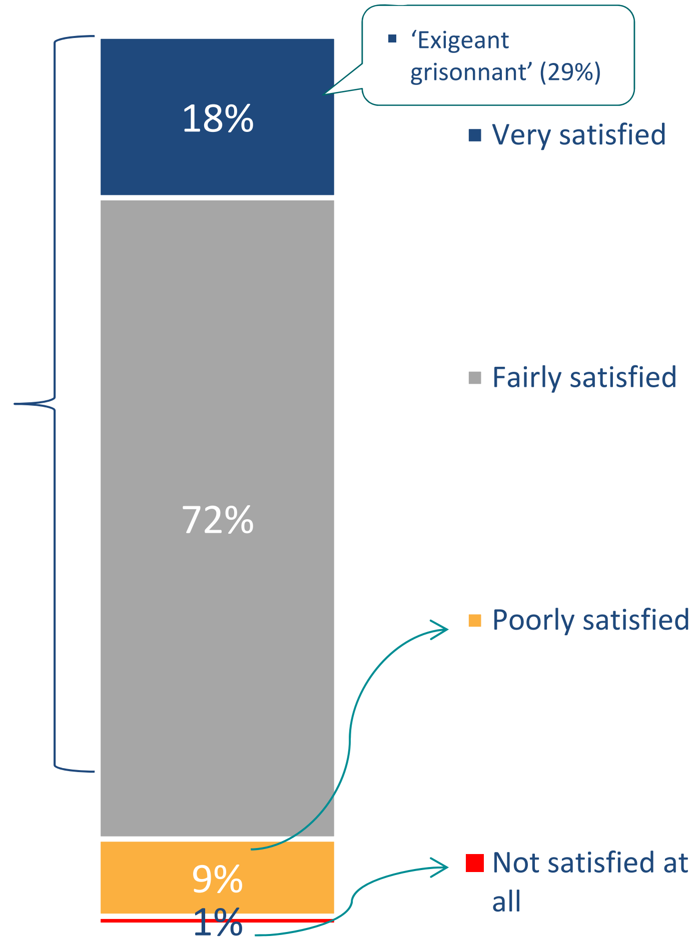
Level of satisfaction – active golfers

17%
1,080,614
Quebecers

Satisfied players… but there is room for improvement

90%

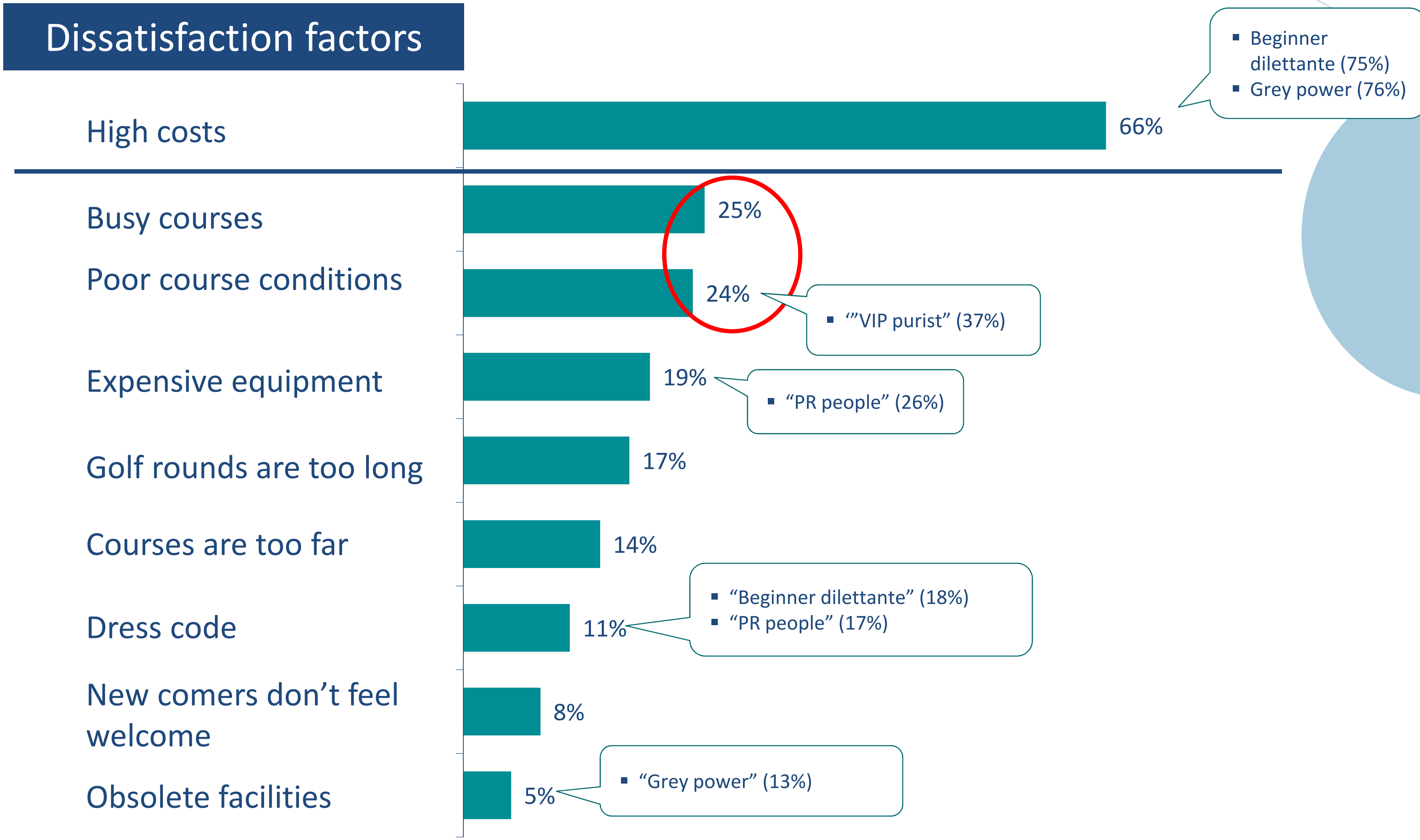
Very or fairly satisfied with the golf offer in Québec



Q26. How satisfied would you say you are in regards with the golf offer in Québec?

3. Active market highlights
Dissatisfaction factors – active golfers

17%
1,080,614
Quebecers



Q26a. Why are you fairly, poorly, or not satisfied with the Québec golf offer?
Question asked to those who said that they are not VERY satisfied (n=787).

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4. Inactive market highlights

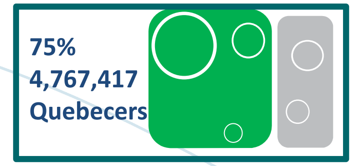
Non-golfers + former golfers who are not planning on starting to golf again

4. Inactive market highlights

Segmentation analysis

Strategy #2
Increase clientele

4. Inactive market highlights
Segmentation analysis



Everyone has their own personal reasons to not play golf

- Segmentation enables us to take several variables an form new groups of variables that are called factorial axes. These axes are actually criteria that enable us to better **explain why non-golfers are not playing golf.**

- Segmentation enables us to create profiles – segments – and link them with motivation, sensitive issues, and habits that lead to **identifying groups with the highest potential of increasing the golfing clientele**.

4. Inactive market highlights

Sensitive issues leading to not playing golf

75%
4,767,417
Quebecers

NOT important ⟷ **VERY important**

Conditions and rules

(Dress code, duration of the round, high traffic, etc.)

Costs

(Equipment, costs related to paying golf)

Inexperience

(Don't know how to play, don't have equipment, entourage doesn't golf, etc.)

Restrictions

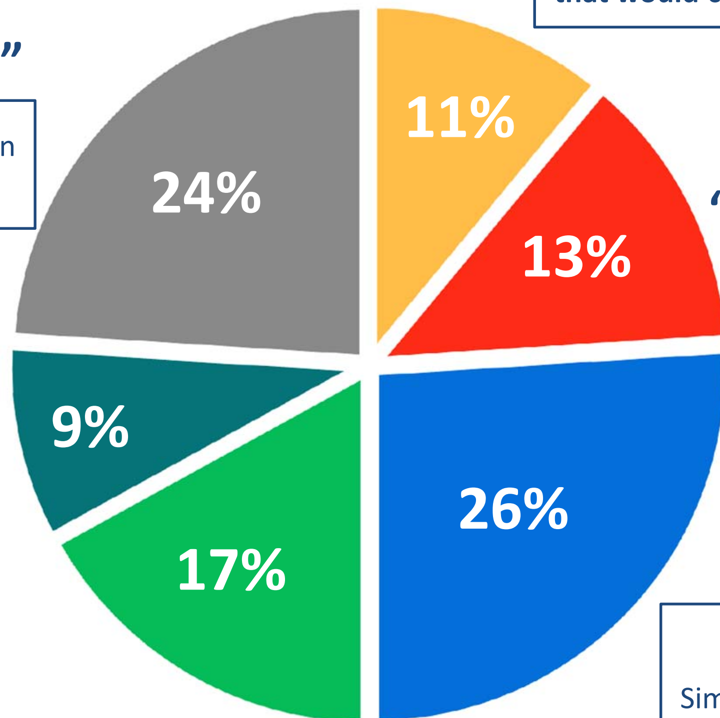
(Courses are too far, doesn't have time, injuries, few places are opened to children)

Competition with other sports

(Prefers other sports, not demanding enough from a physical point of view)

4. Inactive market highlights
Six profiles of non-players

75%
4,767,417
Quebecers



"The frugal"

Less at ease financially, golf is seen as a **sport that would cost too much**

"The angry"

Very fussy towards golf, they like to complain about everything

"The indifferent"

Simply doesn't have **any chemistry** with golf

"The jock"

Golf is simply not **deemed worthy of being called a "sport"»**

"The injured"

Playing is difficult… maybe due to his age?

"The layman"

Does not want **to make the effort** to learn the game

5. Findings and issues

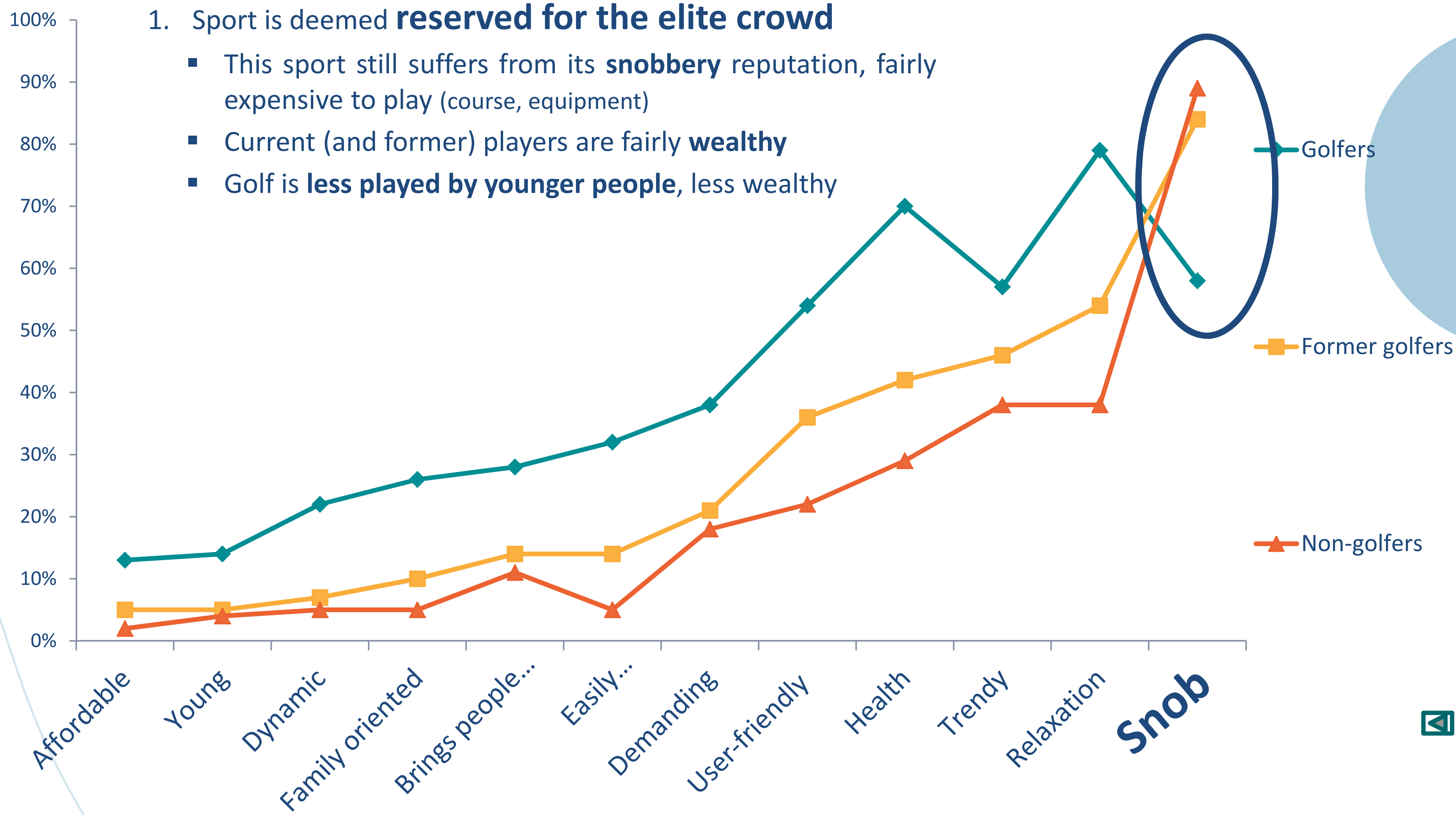
5. Findings

Four points to keep in mind

1	Sport is deemed **reserved for the elite crowd**	▪ This sport still suffers from its **snobbery** reputation, fairly expensive to play (course, equipment) ▪ Current (and former) players are fairly **wealthy** ▪ Golf is **less played by younger people**, less wealthy
2	Two main **common motivation factors** to start playing	▪ Possibility to practice a sport **in the outdoors**, enjoying beautiful sceneries ▪ Spend time with **family/friends** … For current and former players
3	**Lack of triggers** for a sport that is too **rigid** for former and non-players	▪ Most are repelled by the **high costs** ▪ Don’t have equipment, don’t have golfing friends ▪ Rigid rules: duration of round is too long, dress code, number of players. → Competition with other sports that are easier to play
4	A predominantly **male** sport	▪ More than 6 non-golfers on 10 are women

5. Findings
Characteristics

1. Sport is deemed **reserved for the elite crowd**
   - This sport still suffers from its **snobbery** reputation, fairly expensive to play (course, equipment)
   - Current (and former) players are fairly **wealthy**
   - Golf is **less played by younger people**, less wealthy



Q4. Here is a series of characteristics. Please select to which sports these characteristics apply.

5. Findings

Motivations: Resemblances and differences (2/2) *Over-representation*

	Golfers	Former golfers
Outdoor sport/nature/ scenery	▪ VIP purist (49%) ▪ 55 years old+ (46%)	▪ Injured (31%)
Wishes to spend time with family/friends	▪ Grey power (25%)	▪ 18-34 years old (43%)
Commencer à pratiquer un sport	▪ Beginner dilettante (18%)	▪ Layman (28%)
Santé, faire de l'exercice	▪ 65 years old + (18%)	▪ 65 years old (13%)
Compétition	▪ Die hard fan (12%)	
Avoir un passe-temps		
Travail/réseautage		▪ Indifferent (28%)
Aspect social	▪ PR people (10%)	

5. Findings

Irritant factors: no triggers and rigid rules (2/2) *Over-representation*

	Former golfers	Non-golfers
High costs	▪ Angry (80%) ▪ Jock (77%) ▪ Frugal (71%)	▪ Frugal (83%) ▪ Jock (75%) ▪ 55 years old + (67%)
Don't have golfing friends		
Expensive equipment		▪ Frugal (59%) ▪ Jock (58%)
Prefers other sports	▪ Jock (65%) ▪ 18-34 years old (43%)	▪ Jock (57%) ▪ 18-24 years old (54%)
Don't have any equipment	▪ Jock (67%) ▪ Layman (58%) ▪ 18-34 years old (47%)	▪ Frugal (73%)
Long rounds	▪ Layman (44%)	▪ 18-24 years old (37%) ▪ Angry (30%)
Necessity to be 4 to play	▪ Angry (33%)	▪ Angry (26%)
Don't have time		▪ 18-24 years old (28%)
Physical restrictions	▪ Injured (83%) ▪ 65 years old + (35%)	▪ Injured (60%) ▪ 65 years old + (23%)
Snob players	▪ Angry (42%) ▪ Jock (33%)	▪ Angry (40%) ▪ Jock (40%)
Doesn't know how to play	▪ Layman (49%)	▪ Layman (74%)
Rigid dress code		▪ Angry (33%)

5. Issues

Conquering the markets will be difficult

- The **conversion** potential is relatively **low**
  - Very little intention to start playing golf (12% being the highest score against the "Frugal" segment)
- **Few factors** on which we can capitalize
- Most important element: **price**

Is there a will to **democratize** the game of golf?

Sport seems to be **daunting**: accompany a novice in eventually mastering the sport, "take him by the hand"

6. Strategies

6. Strategies

OBJECTIVE:

Increase the number of rounds played in Québec
From 6.9 M to 8.0 M until 2016*

STRATEGY #1

We need to increase the visitation frequency of our active players and ex-golfers who would like to start playing again by capitalizing on a series of specific positioning/branding, offer/promotion and communication actions made by golf operators or a regional/provincial group

Undertaken actions must focus on the three most promising segment: the ***PR people, Grey power, and Die hard fan***.

This strategy is the #1 priority in the next few years

STRATEGY #2

At the same time, we must increase our clientele amongst non-golfers. Considering its potential, positioning, offer/promotion and communication must target the "*Frugal*" segment.

Even if this strategy is important, it is not a top priority.

6. Strategies

THREE SEGMENTS TO FOCUS ON

(active players and former golfers who want to start playing again)

1

PR People
(41%)

- The **largest** segment (41%), wealthy
- We can **capitalize** on their sensitive issues (social)
- Receptive target; opportunity to take them **out of the corporate context**

2

Grey power
(13%)

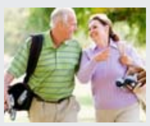
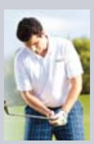
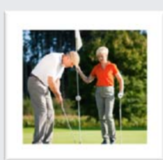
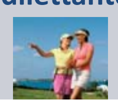
- **Cross-selling** possibility (other services)
- **Viral** opportunity (social player)
- Opportunity to make the golf courses more attractive to **women**

3

Die hard fan
(12%)

- Our best **ambassador**
- Good target group for **more difficult courses**
- **Touristic golfers** are mostly represented in this segment

6. Strategies *(Actions)*

Strategy #1	Positioning	Offer/Promotion	Communication
PR people 	▪ Golf… and après-golf ▪ Fun, good time, being together ▪ IT'S the place to be, where things are happening	▪ Events and entertainment ▪ Happy hour: 9 holes + bar package ▪ Short all-inclusive getaways: transportation, game, food and beverage, accommodation ▪ Fidelity card ▪ Advertising, momentum	▪ Internet, social networks ▪ Posters in public transit ▪ Onsite promotion for upcoming events ▪ Partnership with young media vehicles
Grey power 	▪ Experience with a capital E ▪ Golf… and more! ▪ Welcoming and impeccable service	▪ Multi-player package (2 for 1 evening) ▪ Multi-service package (lesson, proshop, food and beverage) ▪ Discount for online reservation	▪ Promote all services on the courses' websites ▪ Facebook Contests
Die hard fan 	*Golfer, at large and for tourism* ▪ Ready for this challenge? ▪ Unique course, where the best are playing	*Golfer, at large and for tourism* ▪ Multi-course package ▪ Opportunity to try high performance equipment	*Golfer, at large and for tourism* ▪ E-mails/ SMS on traffic conditions ▪ Website: make them live the experience (videos, etc.)
VIP purist 	*Golfer, at large and for tourism* ▪ Prestigious courses ▪ Top quality!	*Golfer, at large and for tourism* ▪ Multi-course discounts in a signature network ▪ Short high quality weekly getaways	*Golfer, at large and for tourism* ▪ Profile articles such as "visitation experience" in traditional media vehicles ▪ Internet
Beginner dilettante 	▪ Fun, good time, being together	▪ Promotion of easy courses and practice ranges ▪ Target city courses or facilities that are accessible by public transit	• Internet, social networks ▪ Posters in public transit

6. Strategies *(Actions)*

Stratégie #2	Positionnement	Offre/Promotion	Communication
Frugal 	▪ Golf…accessible to everyone ▪ Facilitate learning opportunities	▪ Introduction package (lessons, equipment, practice) ▪ Promotion of easy courses and practice ranges ▪ Accept their beginner status: employees' attitude ▪ Target city courses or facilities that are accessible by public transit	• Internet, social networks ▪ Posters in public transit ▪ Partnership with young media vehicles

7. Conditions for success

7. Conditions for success

Considering that the industry suffered from a loss of participation in the past few years, it is crucial to act rapidly, as early as 2014.

Here are conditions that will stimulate our industry's return to growth:

1. Change the industry approach, which is currently based on operations, and gear it towards a marketing approach that will be based on the needs of our various clienteles and new communication strategies.

2. Communicate the findings of the field survey to the whole industry (operators and associations) to promote ownership. For this purpose, it is recommended to make a formal presentation to the Board of Directors with the Golf Industry Standing Committee (November 2013).

7. Conditions for success

3. Write a procedure manual to help all operators adopt this marketing strategy depending on the specific segment of their own market (December 2013).
4. Bring together the stakeholders and financial resources of the industry to form an unique gathering organization that will represent every sectors of the industry (2014).
5. Produce an industry Marketing Plan, led by one organization that will refine the marketing strategies for each segment (2014).