



Australian Government
Australian Sports Commission

CHILDREN

MARKET SEGMENTATION

FOR SPORT PARTICIPATION

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National Sport Research
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CONSUMER NEEDS FOR SPORT PARTICIPATION ARE CHANGING SO HOW DO WE, THE SPORT SECTOR, ADAPT TO THESE CHANGING NEEDS?

Sport and sport participation is a fundamental aspect of Australia's society, culture and economy. Australians, however, are becoming increasingly time-poor and with changing lifestyles and competing forms of entertainment, this is notably influencing Australian's attitudes and behaviours in relation to sport.

The Australian Sports Commission (ASC) identified a need for research to be undertaken to better understand what is driving the Australian community to participate in sport and other types of physical activities.

In 2012, the ASC commissioned GfK Blue Moon to develop a needs-based consumer centric Market Segmentation model for Australian sport participants (players) and non-sports participants (non-players). The study sought to uncover, explore, identify and articulate the different motivations, attitudes, needs and barriers that influence people's decisions and behaviours in relation to sport and, in particular, participation in club-based sport for adults and children.

The present Report provides information on the *Market Segmentation for Children aged 5-13* years (the study) and articulates the motivations and barriers for Australian children in relation to sport and physical activity. The study is part of an integrated programme of evidence-based Market Segmentation research for adults, children, disability, volunteers and parents. In particular, the results of this study should be read in conjunction with the *Market Segmentation for Parents*. Parents are a joint (63%) or sole (17%) decision maker when it comes to their child joining a club.

Market segmentation involves dividing a market into groups of people or consumers with similar needs, attitudes and behaviours.



The ASC commissioned GfK Blue Moon to undertake this research.

HOW CAN SPORT USE THE MARKET SEGMENTATION FOR CHILDREN?

The Market Segmentation for Children study provides key insights outlining how the sport sector can influence motivations and behaviours children have towards sport and physical activity. It describes the segments among children aged five to 13 years, in terms of their attitudes to sport and physical activity, their attitudes to sport club membership, and their membership of sport clubs.

The Study identified six consumer segments among the Australian children’s population:

➤ *Current club member segments – Social loyalists, Sport driven and Apathetic clubbers*

| | |
|--------------------|--|
| Social Loyalists | "Sport clubs are the best! I love to be able to play sports and it is with friends" |
| Sport Driven | "I like being part of a club to play sports but they sometimes want to do other stuff that's annoying" |
| Apathetic Clubbers | "I don't mind playing sport with my club but I'm a bit over it" |

➤ *Non-club member segments – Thrifty enthusiasts, Ponderers and Sport resistant*

| | | |
|----------------|---------------------|--|
| Potentials | Thrifty Enthusiasts | "Sport is great and so are clubs – I'd like to be part of a club again" |
| | Ponderers | "I'd like to do more sport but I don't really know how" |
| Non Potentials | Sport Resistant | Yet to find a cause they are passionate about. May be motivated if they were to receive a personal benefit, e.g. work experience, a financial benefit or to meet someone famous. |

The findings from the Study enable the sport sector to assess whether their current product and service offerings for children are meeting the needs of the various consumer segments. Consideration should also be given as to whether modifications to existing or new product offerings would retain current or attract new consumer segments for children.

SPORT ENGAGEMENT AND PARTICIPATION LIFELINE

How people engage with sport changes over time. For children, the research found that the incidence of competitive sport increases with age.

| | 5-7 year olds | 8-10 year olds | 11-13 year olds |
|--|---------------|----------------|-----------------|
| Interest in sport activities (overall) | 33% | 45% | 40% |
| Competitive sport | 9% | 24% | 24% |
| Recreational sport | 30% | 36% | 32% |

Whilst the incidence of competitive sport increases with age, so does other non-sport activities reflecting higher levels of independence and expanding lifestyles as children get older. Among older children aged 11-13 years old, sport also competes with other activities such as socialising with friends, going to the movies, or surfing the net, as well as increasing homework indicating higher commitment as children reach their pre high-school years.

| | 5-7 year olds | 8-10 year olds | 11-13 year olds |
|--|---------------|----------------|-----------------|
| Interest in non-sport activities (overall) | 100% | 100% | 100% |
| Listening to music | 55% | 60% | 74% |
| Socialising with friends | 60% | 68% | 71% |
| Homework and other study | 52% | 65% | 66% |
| Going to the movies | 41% | 56% | 61% |
| Surfing the net | 14% | 43% | 58% |
| Using social media | 5% | 17% | 49% |
| Playing musical instrument | 18% | 24% | 25% |

Clubs face a particular challenge in the post-school years. The qualitative research found that there was a large pool of club members in the school ages, with attrition over time as people get older. The most significant drop out occurs in the post-school years and was confirmed in the quantitative research where club membership was:

> Highest among school aged children:

- 52% for children aged 5-13; and
- 44% for 14-17 year olds; then

> Dwindled after leaving school:

- 22% for 18-29 year olds; and
- Between 13%-17% for those aged 30-65.

However, there was a strong indication from the research that the perceived focus of clubs' on fostering and resourcing the more talented athletes, along with a perceived emphasis on performance exacerbated the funnelling effect, and there is evidence of this occurring even among children in their early teens (11-13 years old).

Overall, for younger children the positives of playing sport are more focused on the emotional aspects of participation:



- > Competition and ability were less important;
- > They don't actively question or reason why they do sport.

The club offer to 5-10 year olds is focused on participation:

| Structure | Product | People |
|---|--|---|
| <ul style="list-style-type: none"> • Club provides the facilities and the organisation • No active competition 'ladder' | <ul style="list-style-type: none"> • Emphasis on fun, learning, skills, playing with friends • Rules are loosely applied | <ul style="list-style-type: none"> • Strong parental involvement • Often with friends from school |

And what 5-10 year olds, and their parents, want is based in participation:

- > Individuals focus on personal performance (not on team)
- > Reward is on personal attainment
- > For parents, sport is a way for child to learn life skills
- > Social groups are narrow
- > Sense of belonging and identity based on small friendship groups and narrow areas of interest

What the clubs offer changes for 10-15 year olds:

| Structure | Product | People |
|---|---|---|
| <ul style="list-style-type: none"> • Focus becomes on competition • Results recorded and winners 'rewarded' • Greater demand on time to achieve this | <ul style="list-style-type: none"> • Graded competition • The rules apply 'properly', there is a need to master them, or not play anymore • Grading according to skill | <ul style="list-style-type: none"> • Teams based on skill levels, not social factors • Interaction is more about winning and less about fun |

The maturing 10-15 year olds are actively seeking places of belonging socially:

- Feel part of a team/group
- Enjoy the social element, have formed friendships with teammates
- Life is routine, are able to incorporate a structure in their life
- Socially seeking places of belonging validation
- Tend to focus interests where they feel validated and rewarded
- Competition from 'school' sports
- Larger circle of friends doing other sports / having other interests

The research highlighted that there needs to be a change away from just elitism to keep children and teens in club sport:

Critical time in their lives to experience self-worth and value and clubs should aim to help with this, not hinder it

The study supported this as younger children (8-13 years) were more likely to cite beginner classes (52%) and equal treatment (48%) as reasons to encourage club membership.

14-17 year olds voiced a higher need for equality – having equal treatment regardless of how good you are (6%) as well as more variety in the sports offered (4%).

New interests need to be embraced and encouraged no matter how good or bad children's ability is

Acceptance and nurturing is key at this age

Feeling unwelcome or the club being too competitive was a main reason for leaving a club for the under 17 year old lapsed member (9%).

BARRIERS TO SPORT AND CLUB PARTICIPATION

Club retention strategies should focus on addressing barriers that lead to 'drop out' at different ages or life stages for children.

Competing interests is the biggest barrier for children. Whilst 93% of Australian children aged 5-13 years old participated in physical activity, only 1 in 4 said sport was a main interest/hobby (39% - 32% for recreational sport and 18% for competitive sport). Half (52%) of children aged 5-13 years agreed that 'sport needs to fit in with other things I do'.

During school years and early club membership, clubs need to both be sensitive to competing interests for young people, as well as ensuring that competition and performance are balanced against enjoyment and fun.

After school homework on weekdays and weekends, as well as family commitments are also key barriers and clubs should ensure flexibility and options that cater for these limitations.

Other barriers to sport participation come into play at different life stages. The table below shows how barriers for children change as they age.

| | 5-7 year olds | 8-10 year olds | 11-13 year olds |
|---------------------|---------------|----------------|-----------------|
| Lack of information | 36% | 27% | 22% |
| Competitiveness | 17% | 18% | 21% |
| Self-consciousness | 12% | 14% | 19% |
| Dislike of sport | 12% | 12% | 17% |

- Around 3 in 10 (28%) agreed that while they had a desire to do more sport, they lacked the information to get involved (22% for children themselves and 20% by their parents). Lack of information is a greater barrier for 5-7 year olds.
- A notable proportion of children felt that sport was too competitive (19% agreed that 'sport is no fun because people just want to win all the time'). This is more common in 11-13 year olds.
- A dislike of sport and self-consciousness was also apparent with 14% who said they don't really like sport, 15% who felt sport is embarrassing/makes me self-conscious and that sport makes you feel tired (22%). Perceived self-consciousness is more prevalent for 11-13 year olds.

When it comes to club participation, there are some similar barriers:

- Older children aged 11-13 years old were more likely to cite competitiveness of clubs, a dislike of sport in general and not wanting to participate in sport and training every week as barriers to club participation.

And a number of additional barriers, including:

- Preferential treatment and resourcing of the most talented and dedicated individuals and teams.
- Parents' cited cost and time as the biggest barriers to their child participating in a club. There was also evidence of perceived competitiveness and exclusiveness taking the fun out of competition. This was a greater problem as the age of children increased.
- The pressure to perform is a factor in lapsing club membership for children. Younger club members (5-13 years old) are often developing their interests and therefore there is competition for their time from other hobbies and interests. It is important therefore to ensure that issues that push them away from sport clubs are minimised. There were signs that for some the competitive nature of sport clubs comes at the expense of fun and enjoyment and this is contributing to drop off in younger age groups.



BEST PRACTICES AND STRATEGIES FOR RETENTION AND ACQUISITION

Across all the children's segments, the underlying motivation for participating in sport is to have fun and socialise. Providing some sport delivery that focuses on fun and enjoyment rather than competition is important.

- Address the cost and time issues related to children being a club member because these are the main barriers for parents. Providing a variety of pricing packages and different types of membership that allow for flexibility of attendance and time commitment would help.
- Identifying the potential for growth opportunities for sport club membership by understanding the needs of different segments and the products they may be attracted to. When provided a list of products and services and asked which would encourage them to join a sport club or association to do physical activity, children showed interest in a range of product offers:
 - Free trials (49%), classes where friends can join (40%) or open days (31%) to provide a means for children and their parents to test the waters.
 - 'Bring a friend' days, discounts for friends or two for one for new members.
 - Choices for when to take part (38%) to alleviate concerns for children and parents around flexibility.
 - Products and services that are inclusive; promote equal treatment; and focus on fun and participation regardless of skill level and ability. This can be supported via beginner classes (49%), ensuring equal treatment at clubs (46%) with regard to accessing facilities and through, to a lesser degree, more social and less competitive competitions (28%). These would directly address concerns around exclusiveness.
- Once suitable products have been developed, schools and local clubs will be the most direct and effective information sources and channels for the sport sector to communicate with children and their parents. Word of mouth also plays a significant role in sharing information.
- Provide more information to help educate children (particularly younger children) and their parents on where to go to participate in sport.

SEGMENT OPPORTUNITIES FOR RETENTION AND ACQUISITION

The different segments present sports with opportunities for club member retention and acquisition:

| Segment | Retention | Acquisition |
|---------------------|-----------|-------------|
| Social Loyalists | ✓ | |
| Sport Driven | ✓ | |
| Apathetic Clubbers | ✓ | |
| Thrifty Enthusiasts | | ✓ |
| Ponderers | | ✓ |
| Sport Resistant | | |

The primary focus for clubs should be on the retention of existing club member segments. The **'Social Loyalist'** and **'Sport Driven'** segments are the core of club members and it is imperative to keep them engaged. The challenge for both of these segments is to increase their involvement with clubs and ensure retention through the school years.

- For **'Social Loyalists'**, this will be by maintaining their loyalty to their current club or trial of new clubs, in particular via products and opportunities that focus on personal advancement and development as well maintaining the social aspects of the club.
- For **'Sport Driven'**, retention is about products and services that are flexible while still facilitating participation in sport. For this segment the club environment should be welcoming and ensure equal treatment for all skill levels and individuals.
- **'Apathetic Clubbers'** are at risk of lapsing membership, and it is important to re-invigorate this segment to avoid them moving on to non-club sport or out of sport altogether. For this segment, it is about reducing the perception of an overemphasis on competition by offering products and opportunities for non-competitive participation and flexibility to ensure club membership is maintained.

Overall, nearly three in ten (28%) of Australians aged 5-13 years old or their parents expressed an interest in getting more involved with sport. The quantitative findings also identified potential to increase club membership levels among Australian children aged 5-13 years. A total of **22%** of the Australian children aged 5-13 years old were not sport club members but expressed interest in joining a club. This equates to **more than half a million** children. Two segments are most likely to consider sport club membership: *'Thrifty Enthusiasts'* and *'Ponderers'*. Any acquisition strategy needs to address the key barriers among these groups, specifically, practical barriers of time and money for parents and the emerging perceptual barriers of clubs being too competitive and elitist, and that the children have inadequate skill levels to join. Clubs should consider flexible membership options (in terms of times and price), free trials, beginner classes and providing an environment of equality for all skill levels. These changes are the most relevant in encouraging parents to consider membership for their children.

- For *'Thrifty Enthusiasts'*, who are already convinced about the benefits of clubs with most being lapsed club members, encouraging (re)trial is the first step via trial offers and products that provide membership or participation options that are affordable for parents.
- For *'Ponderers'*, it is important to ensure clubs cater to entry/beginner level classes because many will be younger children who are joining clubs for the first time.

The *'Sport Resistant'* segment is more challenging as they have poor perceptions of sport and clubs overall, however they may still benefit from generic messaging and products that speak to the fun and social aspect of sport if supported by the assurance of equality regardless of skill level.

OTHER KEY INSIGHTS FROM THIS RESEARCH

- Australian children aged 5-13 years old were very positive about physical activity or sport in general. The vast majority of children believed sport provides a multitude of benefits that included physical benefits through exercise (88%), mental benefits (85%), social benefits (84%) and fun and enjoyment (81%).
- Children were most likely to see regular sport/physical recreation to be 'good for you' (84%), that sport is more fun when done with other children (79%), that sports are fun (78%), and that performing well in sport makes you feel good about yourself (75%).
- Children from higher income households (\$70k plus) were significantly more likely to participate in physical activity (96% vs. 87%-89% for those with household incomes under \$70k).
- There was also evidence of the socialisation influence from parents with a higher propensity for club membership if parents are club members. In families where at least one parent was a club member, 3 in 4 children (75%) were club members compared to only 2 in 4 (45%) for those who were non-club members.

WHERE TO FROM HERE?



More information can be found at www.researchinsport.com.au



For our sport sector partners, a copy of the full *Children Market Segmentation for Sport Participation Report* can be obtained by contacting asc_research@ausport.gov.au

