



Australian Government
Australian Sports Commission

ADULTS

MARKET SEGMENTATION

FOR SPORT PARTICIPATION

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CONSUMER NEEDS FOR SPORT PARTICIPATION ARE CHANGING, SO HOW DO WE, THE SPORT SECTOR, USE THIS INFORMATION?

Australians are becoming increasingly time-poor and, for many, more financially restricted. Changing lifestyles and competing forms of entertainment have created an increasingly complex landscape, making it difficult to understand the changing attitudes and behaviours of Australians in relation to sport. Furthermore, research has shown that sport preferences have changed over the last ten years with an increased uptake in non-organised sport whilst participation in organised sport has stagnated.

The Australian Sports Commission (ASC) in consultation with sport sector partners identified a need for research to better understand what is driving the Australian community's participation in sport and other types of physical activities. This resulted in the ASC commissioning GfK Blue Moon to develop a needs-based consumer centric market segmentation model for Australian sports participants (players) and non-sports participants (non-players).

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

The purpose of the research was to uncover, explore, identify and clearly 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. The study is designed to help clubs understand the market and more effectively target their approaches to particular segments.

In line with the changing consumer preferences, the Market Segmentation for Sport Participation Study (the Study) identified that sports need to adapt their offerings if they are to stay relevant to the Australian consumer.



The ASC commissioned GfK Blue Moon to undertake this research.

HOW CAN SPORT USE THE MARKET SEGMENTATION?

The Study identified a significant number of Australians who view and engage with sport quite differently, particularly in terms of how they want to play sport. This research provides insight to the sport participation needs and wants of the Australian consumer and more specifically club-based participation. These insights and other data can be used to inform the development of targeted sports delivery strategies (both products and services), to either retain or attract new participants.

The Study does this by enabling sports to:

- ① Review their current product and service offerings and assess whether they are meeting the needs of the various consumer segments.
- ② Consider whether modifications to existing or new offerings would retain current or attract new consumer segments.
- ③ See how many adults fall within each segment across the total Australian adult population.
- ④ Determine where the greatest potential for retention or acquisition may exist and therefore how to invest their efforts.

The Study identifies ten consumer segments among the Australian adult population (aged 14-65 years):

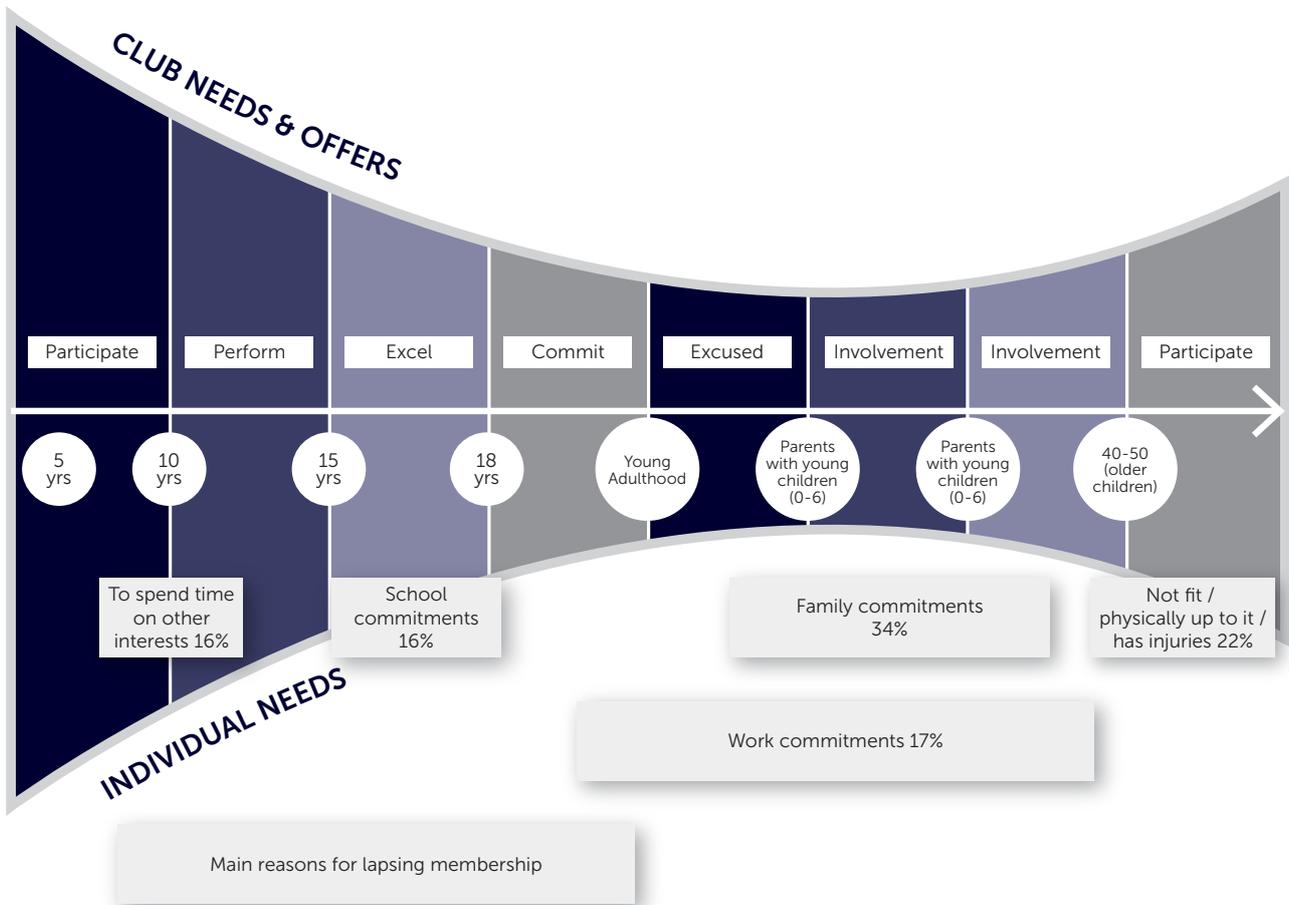
Current club member segments – *Loyalists, Socially Engaged, Sport Driven and Apathetic Clubbers*

Non-club member segments – *Sidelined Sportsters, Club Wary, Ponderers, Self-Focused, Sport Indifferent and Sport Atheists*

The research also provides key insights to how participation in sport is affected by:

- > Sport delivery that focuses on competition rather than fun and enjoyment
- > A lack of flexibility around the scheduling of sport in traditional sporting clubs
- > Organising individuals and teams according to talent rather than retaining friendship groups
- > Limited opportunities for people with less ability to join sporting clubs
- > Self-consciousness amongst adolescents and embarrassment if they lack sporting ability.

SPORT ENGAGEMENT AND PARTICIPATION LIFELINE



The funnelling effect that occurs with sport participation over time was strongly observed in this Study.

Many children begin to play sport within clubs from a relatively young age, constituting the large participant base that the sport sector identifies as necessary. Over time, as people age, participation in sport begins to encounter competition from other areas. The social and personal needs that were once fulfilled by participation in sport and clubs can now be addressed by other interests and activities.

There was a strong indication from this Study that clubs' attitudes and behaviours leading to preferential treatment for more talented or dedicated members, in conjunction with their emphasis on competition and performance, exacerbates the funnelling effect:

- As other opportunities and life priorities push from below, club related factors (club needs, structure, people and products) which focus on finding and keeping the athletes that perform better at the sport provides further pressure, narrowing the funnel from above.
- What the clubs need and offer as they search for the better athletes, does not align with what individuals are looking for. This mismatch in club needs and participant expectations was seen across the different life stages.
- Individuals across all age groups were looking for a greater focus on participation rather than a focus on competition and commitment.
- Adults desired flexibility which they did not feel that clubs offer their adult members. This desire for flexibility is not just in playing the sport but in also becoming a part of the clubs' administration and management.

Unfortunately, once people lapse from participation in club sport, it becomes difficult to re-engage them as participants:

Once 'out' of the club environment, it's hard to overcome a number of perceptions and concerns about returning that seem to grow over time

- Don't feel they will be good enough at the sport
- Feel physically incapable of 'playing like they used to' (men especially)
- Are afraid of the 'people', those that are in aren't always so friendly
- Perceive that while they have been out of the sport, others have kept at it - expect a large gap in skills
- Don't want the 'social' commitment they remember clubs as wanting



BARRIERS TO SPORT AND CLUB PARTICIPATION

The Study identified that barriers to adult participation in sport and physical activity could be grouped into practical and perceptual barriers:

- ① Practical barriers consisted mostly of a lack of time meaning other commitments or interests took priority over sport or physical activity.
 - a. A lack of information was also a barrier to participation with nearly one in five agreeing they 'would get involved or do more sport but don't know how to go about it'.
- ② Perceptual barriers included:
 - a. A dislike of the assumed competitive nature of sport;
 - b. Self-consciousness;
 - c. As well as an overarching dislike or lack of engagement with sport.

The Study also identified practical and perceptual barriers to sport club participation:

- ① The practical barriers are:
 - a. Costs – both purely financial and in relation to perceptions of 'value for money';
 - b. Location and convenience, including the inflexibility of club schedules;
 - c. The commitment required as well as other conflicting commitments;
 - d. Club structures, 'politics' and organisation.
- ② The perceptual barriers are:
 - a. Club members were perceived by the majority as cliquey, exclusive, single-minded and often highly judgemental of non-participants or those with less ability.
 - b. A general consensus was that clubs only operate an 'open door' policy to those with sufficient ability and commitment.
 - c. Many felt they were incapable of achieving success as they perceive their skill level to be too low, don't feel confident in being able to break into the social scene, or felt unable or unwilling to put in the perceived commitment necessary.
 - d. Many saw having a competitive nature as a pre-requisite for club participation.

Perceptions of club members and sport clubs as intrinsically exclusive, judgemental and overly competitive can put a lot of potential adult participants off.

- For many the overriding conclusion was that they were not the 'type' that clubs would be interested in.

OPPORTUNITIES FOR THE SPORT SECTOR

Strategies for retaining existing club members are crucial given the high level of club membership 'drop out'. However, the Study found that club expectations and structures may not currently be addressing the barriers that lead to 'drop out' at different ages or life stages:

- ① During school years and early club membership, clubs need to be sensitive to both competing interests for young people, as well as ensuring that competition and performance are balanced against enjoyment and fun.
- ② The core years of higher education, work and family time are the key barriers and clubs need to ensure flexibility and options that cater for these limitations.
- ③ Older members may need options that cater to their physical limitations based on age, fitness and injuries.

Opportunities to increase club membership among non-club members also exist. A total of 25% of the Australian market aged 14-65 years old are currently not members of sport clubs but expressed interest in joining one.

This equates to over 3.8 million Australians who are potentially new club members.

The Study found that expectations and preconceptions of non-club members toward sport clubs can differ from reality and be based on previous negative experiences, prejudices or misconceptions about sport clubs.

It's crucial to provide motivations for non-club members to enquire about club offerings, facilities or memberships. In doing so, clubs need to be sensitive to people's competing interests which may be entrenched and avoid placing any sense of expectation on new enquirers.

Potential members may need specific encouragements such as:

- > Trial days / periods
- > Introductory classes / lessons
- > If possible, financial incentives to join, such as reduced fees for a period when starting, or discounts on equipment, etc.



SEGMENT OPPORTUNITIES FOR RETENTION AND ACQUISITION

Snapshot of the segments

		Segment	
Club Members		Loyalists	"Sport and my club are my life – I couldn't live without them"
		Socially Engaged	"I really enjoy being part of my club sports team but it's as much about having a laugh with my mates as it is about the sport"
		Sport Driven	"I'm a member of a club because my membership provides me with easy access for playing my sport and I'm not that interested in the social side of being a member"
		Apathetic Clubbers	"I've been playing sport since I was young but clubs are just too competitive now – everyone in a club takes it so seriously"
Non-Club Members	Potentials	Sidelined Sportsters	"I really love sport but I don't want to be committed to things like a sports club – I don't really have the time"
		Club Wary	"I love my sport but sports clubs are full of 'cliquey' people – I just wouldn't fit in"
		Ponderers	"I'd like to find a way to do more exercise and sport but I don't know how to find something that suits my lifestyle"
	Non Potentials	Self Focused	"I like to make my own structure and routines when it comes to physical activity - my main goal is self improvement"
		Sport Indifferent	"While I don't have an issues with sport in general, I'm not really into it - I can't see what joining a sport club would do for mebut I'm not really into it - I can't see what joining a sport club would do for me"
		Sport Atheists	"I don't see any benefit to sport or physical activity. Sport is overrated – it just makes you feel tired"

Each segment has its own set of challenges and opportunities.

Within the club member segments:

- Two segments, Loyalists and Socially Engaged, have significant potential to increase participation within clubs where they are currently members. They are the core of club members and it is imperative to keep them engaged.
 - For Loyalists, this will come through maintaining their enthusiasm and loyalty to their current club or trial of new clubs via products and opportunities that focus on personal advancement and development as well as the ability to advance others through coaching or other roles in the club.
 - For the Socially Engaged segment, it is imperative to maintain the social aspects of clubs which are a key driver in their participation via products and services that cater to social engagement as well as leverage the advocacy potential of this segment.
- On the flip side, there are two segments which are at risk of lapsing, Apathetic Clubbers and Sport Driven. It is important to re-invigorate these segments to avoid them moving on to non-club sport or out of sport altogether.
 - For Sport Driven, it is about products and services that are flexible while still facilitating participation.
 - For Apathetic Clubbers, to ensure club membership is maintained, reduce the perception of overemphasis on competition by offering products and opportunities for non-competitive participation and flexibility.



- Clubs need to address the issue of time commitment and increasing costs, which are the biggest issues in keeping members through different stages of their lives. Flexible membership options (including pricing) are important for these segments, along with free trials and beginners classes or other means of engaging in clubs (e.g. switching to a new club which better meets their specific needs).

Within the non-club member segments:

- There are three segments, Sidelined Sportsters, Club Wary and Ponderers, that demonstrate the highest interest in club membership and therefore the highest potential for acquisition.
- It is imperative that any acquisition strategy addresses the key barriers, specifically practical barriers of time and money and the perceptual barriers of clubs being too competitive and elitist, and that they have inadequate skill levels to join.
 - For Sidelined Sportsters, who are already convinced about the benefits of clubs, encouraging trial is the first step via trial offers and products that provide flexible membership solutions and address personal or physical needs given the older make up of this segment.
 - For the Club Wary, clubs will need to overcome perceptions that clubs can be 'exclusive' or 'cliquey' through trial offers and products that promote sport that is less 'non-inclusive' to encourage consideration and trial.
 - For Ponderers where time is a major barrier, the focus must be on increasing consideration and trial by providing products and services that address their busy lifestyle and family commitments.
- Acquisition strategies should be less focused on the remaining three segments of Self Focused, Sport Indifferent and Sport Atheists.
- The Study also highlighted opportunities to engage segments via alternative modes of participation in physical activity or sport beyond the traditional club structure.
 - Segments like the Apathetic Clubbers, Sidelined Sportsters, Club Wary and Ponderers all have an interest in participation in physical activity or sport however the current traditional club membership offer is perceived as restrictive and fails to meet their needs.
 - Options which address the needs of these segments for more individual goals of fitness, flexibility and inclusiveness (non-competitiveness) could be considered.
 - Such offers can also engage the Self Focused segment whose focus is on fitness and personal goals, but who have no interest in joining a club.

HOW TO COMMUNICATE

Clubs should develop local marketing materials that reflect any new products developed.

These marketing materials should:

> Be shared via:

- The internet: When asked where they would first go if they were looking to join a sport club or association, the most popular choice was the internet (46%). Use of the internet is particularly relevant for 18-39 year olds who are also in the age group most likely to be interested in joining a club (59%-60%). It is also relevant for parents (52% vs. 44% those without children) and higher income groups (53% for over \$70K households vs. 39% under \$50K households).
- Local newspapers (21%): Particularly useful for older targets (28% and 32% for 50-59 and 60-65 years old respectively).
- Word of mouth (20%): This is useful as existing members can be advocates for clubs. In particular, word of mouth plays an influencing role for females (22% vs. 19% males) and 60-65 year olds (25% vs. 20% total).

> Appeal to:

- Ponderers, Club Wary and Sidelined Sportsters for acquisition. Together these three segments make up 41% of the Australian population aged 14-65 years old.
- Apathetic Clubbers and Sport Driven for retention as these two groups are a highly vulnerable leakage point for clubs. Rather than developing new marketing material for these two segments clubs could ensure that any messaging directed at segments for acquisition is consistent with the needs of Apathetic Clubbers and Sport Driven.

> Include the following types of messaging:

Key message	Non club members			Club members	
	Ponderers	Club Wary	Sidelined Sportsters	Apathetic Clubbers	Sport Driven
About participation rather than skill					
For everyone, non competitive, not just those good at sport regardless of skills, age and ability	✓	✓		✓	
Acceptance of diversity (age, ethnicity, culture)					
Everyone welcome		✓			
Fun and social aspect	✓	✓		✓	
General awareness of clubs having the products that allow / caters for adult participation					
Flexible memberships option and time	✓	✓	✓	✓	✓
Don't have to commit a lot of time or money	✓	✓	✓		✓
Need to know where to find information		✓			
Raise / promote awareness of clubs as option for physical activity and exercise (clubs can be for adults too)	✓				
Awareness of more flexible products - fun over competition	✓		✓	✓	

> Communication could also be targeted to CALD audiences in areas with high CALD populations. CALD audiences had a higher representation within the segments of Australian adults aged 14-65 years old that have potential for acquisition (25% of Ponderers and 38% of Club Wary).

OTHER KEY INSIGHTS FROM THIS RESEARCH

Income appears to be an influencing factor on participation. As income increased so did participation in physical activity and sport (65% for under \$50K household income per annum vs. 85% for \$70K and over household income per annum).

WHERE TO FROM HERE?



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



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

