



Australian Government
Australian Sport Commission

Market Segmentation Pilots

CASE STUDY 3 - SKATEFIT

MARKET SEGMENTATION FOR SPORT PARTICIPATION



INTRODUCTION

Fewer Australians are participating in traditional, club-based sport. However people are increasingly choosing to play and be active in more non-organised and social forms of sport participation.

The Exercise Recreation and Sport Survey (ERASS) data show that between 2001 and 2010 there was a gradual but consistent decline in the number of adults participating in organised sport in Australia. In 2001 adult participation in sport on a weekly basis was approximately 33% of the adult population. This fell to 30% in 2010 and is forecast to decline further to around 28% by 2022. A similar decline has occurred in children's participation. Participation in non-organised sport is not only bigger but growing; Australian Bureau of Statistics research has shown non-organised participation in sport grow over a similar period as the ERASS data, from 50% to 54%.

Recent research has uncovered many of the underlying reasons for the decline in traditional, organised forms of sport. The Australian Sports Commission (ASC) *Market Segmentation for Sport Participation* research found that Australians are increasingly becoming time-poor and, for many, more restricted in terms of budget. In addition to changing demographics (ageing population and changing migration patterns), there is much greater competition from other recreational activities than ever before and, as a result, families are faced with a wide range of choice to spend their discretionary time and money.

Declining participation rates in traditional, organised sports demonstrate that they have generally not adapted to this changing environment. To reverse the trend sports must adapt their products to suit the needs of the modern Australian consumer.

The ASC's *Market Segmentation* research specifically shows that a considerable number of people now want to play sport in ways that are different to the traditional club offering. Much of what is currently delivered focuses on competition and performance within rigid schedules. Clubs are viewed by many people that are not members as being exclusive or 'elitist'; there is a perception that they are only interested in more competent participants that are better performers.

The research also identified a number of market segments that could be targeted in certain ways to increase the likelihood of attracting and / or retaining people in organised sport. The research describes the motivators and barriers to sport participation for each segment, identifying possible features for sports to include in product offers to increase participation.

In summary, there is a need for more flexible sport participation offerings that focus on enjoyment and socialising. More people are now looking to access facilities and programs at times that suit them and in a less structured environment that is focussed on what they, as the customer, want rather than what a typical traditional club is willing or capable of providing.

Traditional club-based sport does continue to have a role to play because, as the ASC's *Market Segmentation* research showed, over 60% of the people currently playing sport in traditional clubs really value the traditional approach. However to get more people playing sport (and retain more of the ones that are in clubs now) other approaches, formats and schedules need to be offered to meet the changing demands of consumers.



Further information about the market segmentation research is available at –

https://secure.ausport.gov.au/clearinghouse/research/national_sport_research/market_segmentation_adults

https://secure.ausport.gov.au/clearinghouse/research/national_sport_research/market_segmentation_children

In order to illustrate and bring meaning to the market segmentation research findings and demonstrate its practical uses, a series of case studies have been supported by the ASC.



Case Study 3 – ‘SKATEFIT’ WITH SKATE

AUSTRALIA

BACKGROUND

Skate Australia is the peak body for all skate-based sports disciplines within Australia, bringing together the skating disciplines of Inline Hockey, Artistic Skating, Speed Skating, Roller Hockey, Roller Derby and Skateboarding and Rolling (Aggressive Inline).

The concept for SkateFIT was developed by a Sydney-based skate instructor. It is a structured but fun oriented group exercise / fitness program for participants on roller skates that Skate Australia developed as a national program in 2013. The target group for the program, which is conducted at commercial skate rinks, is females aged 20-40 years that are generally not interested in a competitive or overly structured club environment to meet their sport and fitness needs. SkateFIT doesn't require any commitment outside of the active sessions and is conducted in a way that is more casual and less demanding than traditional, club-based sport. This is delivered through a focus on enjoyment and improving skills, confidence and fitness rather than winning or strict demands on the participant's time.

MARKET SEGMENT – SELF-FOCUSSED

Skate Australia narrowed its target audience for SkateFIT using the ASC's market segmentation research. The research identified a group of sport participants that it called the 'Self-Focussed' which are typically females that are often turned off by the competitive nature of sport but enjoy the physical and mental benefits that regular physical activity and exercise provides them. This is the segment that Skate Australia targeted with SkateFIT. They are physically active, which is often to counter-balance a sedentary work-life. Their dislike of traditional club sport means their first preference is to exercise alone and physical activity is often a personal rather than a social pursuit — which reflects their dislike of organised and team sports and their focus on self-improvement.

They are a challenging target market for traditional sporting organisations, with previous experiences often leaving the Self-Focussed with negative impressions. This group wants a non-competitive and flexible environment that allows them to control their own schedule. Skate Australia has developed SkateFIT outside of the traditional club structure of membership, training and competition, to attract this market segment.

APPROACH

Skate Australia conducted two SkateFIT pilot programs in 2013 in south-east Queensland; one at the Epic Skate Centre at Tweed Heads on the Gold Coast and the second at Skateaway Bundamba, Ipswich.

The program was promoted to existing rink patrons, including participants in roller derby and artistic skating programs which were seen to contain members of the target audience. Flyers and posters were also produced (see example). Skate Australia was also directly involved in the marketing and communication and used its database to email participants, members and clubs and also promoted



the SkateFIT programs on its website and Facebook page. The material targeted females and mothers.

Some of the practical factors that were incorporated in the programs delivery that were directly related to the targeted market segment included;

- The program sessions were an hour in length and used a 'pay as you go' / casual system of payment.
- The fee was less than comparable fitness / leisure classes.
- Class instructors weren't 'bossy' nor did they yell at the participants, to ensure the atmosphere remained 'fun, friendly and light'.
- There were no dress regulations. Participants could wear whatever they were comfortable in.
- It didn't matter what your level of competence was. Anyone could join the program and a level of participation would be available to them. The program and the instructors were inclusive, flexible and adaptable.

Although Skate Australia targeted the Self-Focussed segment, it did also consider a secondary target group with similar tastes to the Self Focussed that the research labelled as the Club Wary. The Club Wary are also positive about sport but at a slightly less serious and competitive level and also have some reservations about playing sport in clubs because they see them as requiring a significant commitment and lacking in flexibility and this segment can be slightly self-conscious about fitting in and playing sport with others.

Skate Australia developed a range of merchandise which was targeted at the Club Wary to provide them with a sense of belonging and inclusion and highlighting the encouraging and social atmosphere that is a theme of SkateFIT.

This approach also tapped into elements of the Roller Derby community that like skating and the social side of being part of a club and the teammates and friendships that are made. They also like the fun and getting fit but they aren't as enthusiastic about having to volunteer for other club activities and the commitment that's expected; these people were seen as "not as hard core" about Roller Derby.

Skate Australia encountered some additional challenges in implementing the program;

- Skate rinks are generally privately owned and Skate Australia generally has to commit considerable time and energy to getting the rinks 'on board' with any new program. The key is being able to show success through increased patronage which mean's getting 'runs on the board' on a small scale with pilot programs then building confidence from there.
- Ideally, Skate Australia would like to capture and monitor registrations and associated customer data. This would allow it to better understand the sports' customers and subsequently improve its products and services. However program registrations were managed by local rink operators and there was some inconsistency in the information that was gathered. Skate Australia improved the situation by 'incentivising' the rink owners to share the participant information through the provision of marketing and promotional material.



RESULTS

The pilot programs achieved the participation targets that were set, averaging approximately 15-20 participants and peaking at 30 per session. The program overall was rated highly or very highly by all of the participants. The key strengths of SkateFIT were “the coaches/staff were friendly”, “the participants had a lot of fun participating” and “they enjoyed socialising with the other participants”.

As an indication of how well the program met the needs of the participants, more than two thirds (71%) of the participants would be “extremely likely” to continue if the program was available.

The program successfully tapped into what motivated the participants to take part in SkateFIT; survey results showed the two primary participation drivers as “to have fun/enjoyment” and “the program being different, a more attractive way of playing the sport” with secondary reasons being “to learn/practice skills” and “to socialise with other participants”. Representative quotes from the participants included; it’s all about “the fun”, the “social aspect”, the “getting fitness and skills in relaxed environment”, the “quality of teaching and the coaches’ attitude”.

Skate Australia wanted to specifically appeal to female individuals who were looking for something that was fun and a bit different, that offered fitness and social outcomes who were not interested in a competitive or overly structured club environment, and they largely achieved this. Surveys suggest the profile of the participants were generally in-line with the segment known as Club Wary.

When the participants were asked about their level of interest in joining a sporting club, the comments included both favourable responses (standards of safety and clubs possibly being cheaper) but also responses that highlight some concerns about how club-based sport is offered; just want to skate for fun (in that clubs don’t cater for this), not compete or be judged, skate on casual basis, and don’t want to commit to ongoing club fees. These responses are in-line with the ASC’s market segmentation research which showed that for many people, clubs are viewed as ‘elitist’, about competition and success, and requiring more commitment than many people want to make. A representative sample of the responses from the SkateFIT participants include;

- *I adore SkateFIT.*
- *I love it, it's fun, challenging, great for fitness, makes me feel young again, has a culture to belong to, I look forward to my class every week.*
- *The SkateFIT program provides me an enjoyable cardio fitness routine into my overall fitness schedule.*
- *It's fun, I enjoy the social experience and i get some exercise at the same time.*
- *I just want to skate for fun, not compete or be judged.*
- *I like to attend on a casual basis without joining a club. I have purchased insurance for the program which I think is fine, but don't want ongoing club fees.*
- *It's a great workout that's fun and the time goes so quickly.*

Samantha Collins is a SkateFIT instructor at the Ipswich pilot program. Her perspective was that a lot of the success of the program was attributable to it being focussed on delivering what customers wanted. Firstly, in terms of it being a bit different, lots of fun, inclusive of any ability but also in terms of its scheduling. The Ipswich program undertook customer surveys to determine what the best time was for the participants and refined its scheduling to align with this. Not only did this



increase attendance but the feedback from the customers was that they really valued simply being asked what time suited them and the program deliverers adapting the sessions accordingly.

SUMMARY

The SkateFIT program has been highly successful. In the first six months of Skate Australia implementing it, SkateFIT has grown to 50 programs nationally.

Skate Australia reports strong growth in a number of what could be called 'new sports' that have a recreational or social theme, including in-line skating, skateboard, roller derby and now SkateFIT. The organisation sees it as a general shift in playing sport away from competitions, participation in clubs and in 'championships' and more towards fun with friends, setting and achieving individual goals and getting fit.

Survey results show that the most attractive attributes of SkateFIT are that

1. it was a different, more attractive way of playing the sport; and,
2. it was focused on fun and enjoyment.

From an implementation perspective, having the national body (Skate Australia) directly involved in leading the development and implementation of the product, enhanced its success; it provided a nationally aligned approach, marketing and communication resources were consolidated and consistent and it allowed for learnings to be consolidated and shared back to the local rinks.



WHERE TO FROM HERE?

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

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

