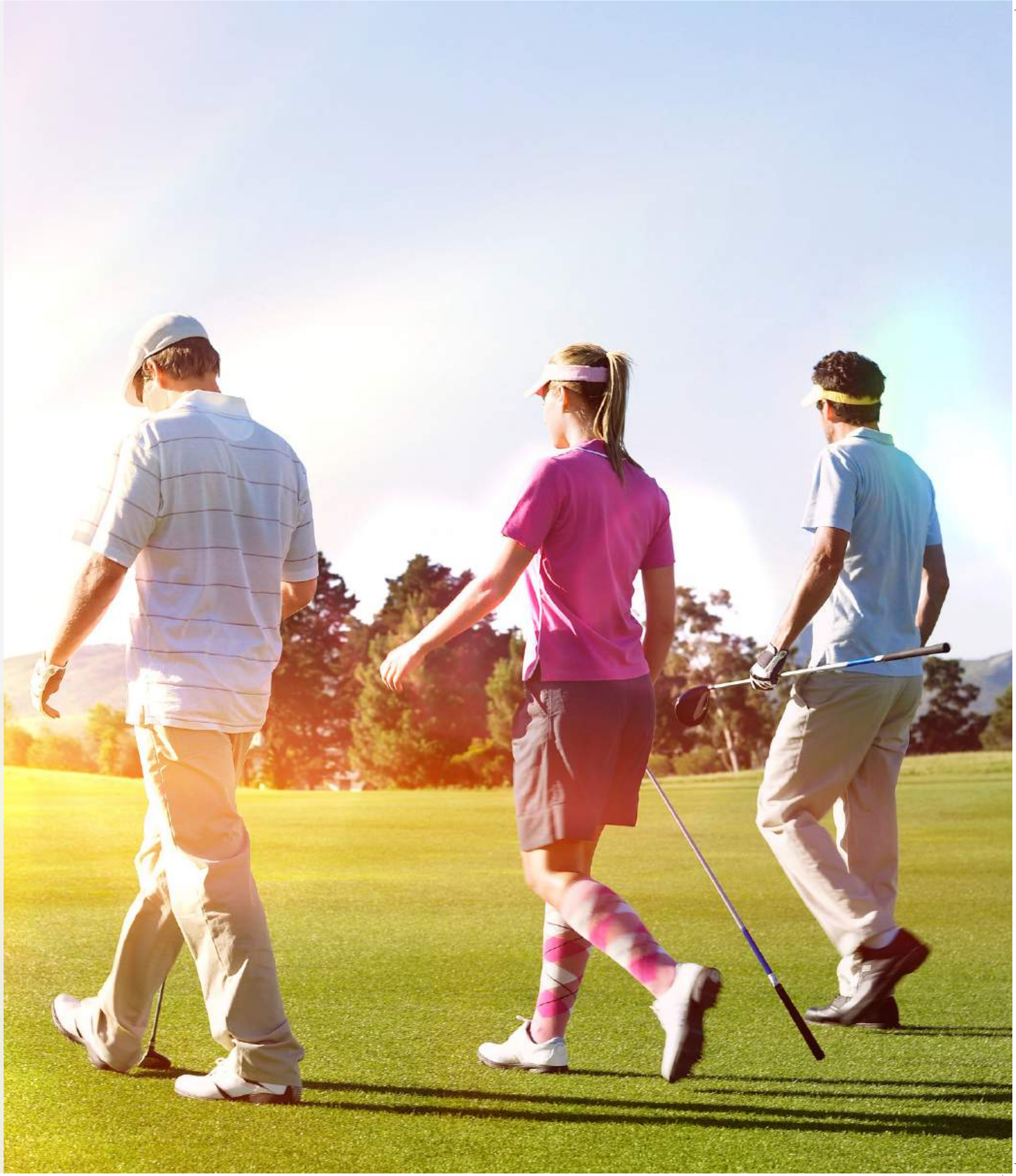
golfwa

GBAS
GOLF BUSINESS ADVISORY SERVICES
ASIA PACIFIC

INCREASING MILLENNIAL ENGAGEMENT IN GOLF CLUBS

October 2018



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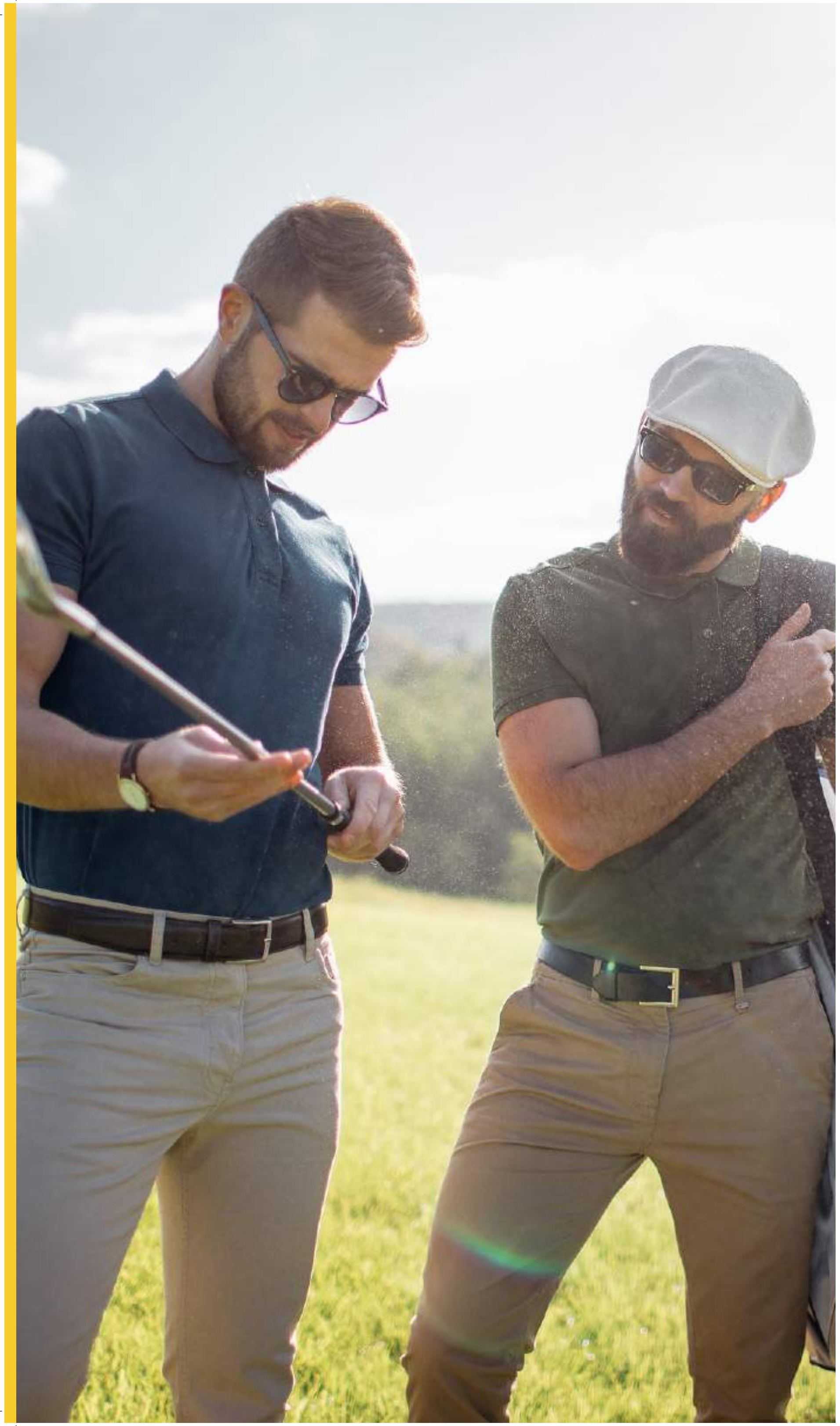


REPORT FOREWORD

Younger golfers and Golf Clubs: The Urgent Need to Bring Them Together.

The core Purpose of GolfWA is to create opportunities for everyone - regardless of age, gender or ability - to participate in the game of golf. This Purpose is the key to our Strategic Plan and has led to the development of a range of initiatives including the engagement of our Regional Club Support Officers and investing substantially in the development of future golfers, to name a couple.

GolfWA identified some time ago that there is a clear disconnect between emerging golfers and Golf Clubs - both public and private - whose Committees and Boards are largely made up of people of the Baby Boomer generation. As a result, GolfWA brought together the Young Members Committee. This group has been charged with putting the spotlight on the 20-39 year age group, to identify and advise the GolfWA board on the reasons for the reluctance in young people to initially take up golf and, ultimately, to join a Golf Club. With the approval of the GolfWA Board, the Young Members Committee commissioned this report which seeks to provide an appreciation of the circumstances surrounding this age group that are limiting their take-up of golf and their commitment to a Golf Club environment.

Our affiliated clubs, both public and private, must attract more younger members to their clubs, but in many cases they are struggling to find the membership offering that best suits the differing needs of this Millennial age group. GolfWA is working to help our affiliated clubs to bridge this gap. We are already building a range of resources to this end; we are showcasing the best plans our clubs have devised to attract the millennial golfer and we provide guidance on their membership offering (such as membership options, pricing, commitment, family friendly facilities) and marketing strategies. This report has helped us to better understand the core issues and will enable us to drive these offerings further for our Members. We commend this report to you and as always, GolfWA is available to help our affiliated Clubs in any way we can.

Thank you to our Young Members Committee led by the Committee Chair, Justin Davies (GolfWA Board Member, Lakelands Golf Club Member) and comprising Mitch Bristow (Lake Karrinyup Country Club), Emma Jane Liebenau (Mt Lawley Golf Club), Damien Todorovic (General Manager, WA Golf Club), Danielle Crane (GolfWA), Neil Goddard (GolfWA), and Jeff Blunden, GBAS for your efforts in creating the report for the good of the great game of golf in Western Australia.

Happy Golfing!

Greg Higham Chairman
GolfWA

Justin Davies
GolfWA Board Member
Chair, Young Members Committee

THE FIRST WORD

The sport of Golf in Australia enjoys a long history. A fabric of society since the earliest days, the sport and the clubs it so often orientated around played a vital role in bringing communities together. A game that could be played for a life time, equalised for all through handicapping, saw participation numbers grow and grow through the 20th century, a sport that fitted the Australian lifestyle.

As society shifts however, so too does everything within it. Through the turn of the new 21st century and as generational priorities change, the sport has found itself challenged with slowly declining participation. With more joint family orientated decisions being made, the sport no longer fits as well as it used to in day to day lives.

Within this trend, and the focus of this report, the participation rate among younger golfers has declined, with fewer of them playing golf than the generations that came before them. Whilst now only accounting for 15% of club membership and 20 % of total participants (down from 30% ten years ago), the declining participation rate of the younger golfer, the 20 to 39 year old, is a concern. Why? Continued engagement with the sport through this age group acts as feeder to demand in the later ages of the life cycle, a key component of golf's makeup – 60% of Australia's current golfers are 55 years of age or older.

The media positioning of this group, given the generation tag of "millennial", is often not always favourable with many of their identified traits questioned. What is clear however is that this cohort are a circuit breaker to past practices. With a different set of challenges than past generations, and a propensity to prioritise self, this market is asking service providers to meet their needs in new ways. Engagement is important, sharing / communication a key trait, less organised more sporadic activity, quality not quantity, short breaks over long breaks, less advance commitment, consume as you choose, when you want to consume, membership isn't the be all it used to be. In short, these traits crash into the traditional golf model, being at odds with how the industry has historically asked its customers to act.

Knowing the role this group plays in feeding future demand into golf's sweet spot, the 55-year male, these traits are thus impacting how golf clubs are engaging and need to engage with this market. Given the different thinking around membership, they are changing the way clubs operate - forever. What is clear, is that for golf to succeed long term, for later in life demand to continue to be present, this generation must be effectively accommodated.

Whilst some of the findings outlined in this report may be considered confronting, they should also be viewed as an opportunity. With a better appreciation and understanding of the traits and views of the millennial golfer it is hoped that better more informed engagement occurs. Show someone you understand them and their needs, you've likely got a good long-term customer, one that might not be as frequent a visitor as others to your facility but one that is satisfied with and enjoying the product offered.

In presenting this report our research has found that what this generation wants is not vastly different to what is offered, it just needs some customisation for it to better fit within today's lifestyle. It is apparent that many positive things are already happening regarding millennials and strategies are being tailored to meet their needs. This report has found that there is indeed new millennial demand and the model isn't completely busted. It is one that, in this age, now requires constant attention and fine tuning to ensure efforts are fully optimised to cater for the markets you determine you need.

The challenge therefore being put to the club industry is how much work do they want to do to engage this market? The response provided will go a long way to determining the level of long term success achieved.

We trust that this report assists you develop your own strategies and that you take up the challenge being presented with gusto!

Jeff Blunden,
Report Author

REPORT BACKGROUND

GolfWA has formed a Young Members Committee (YMC) who are tasked with advising the GolfWA board on matters that are preventing people from taking up golf and joining a traditional golf club. The particular focus of the YMC is the age cohort of 20-39 years, more commonly known to as “millennials”.

Worldwide there is great interest in understanding how to better engage with the millennial golfer. Our intent is to better understand where there are higher and lower concentrations of younger members, and how some clubs are being more successful at attracting those members. Those people in the 20 to 39 age group that are members of clubs tend to be more serious/better golfers, many of whom have been exposed to the game as juniors. With a longer exposure to the club environment they had no fear about going into a private club and were more aware of the benefits available.

Given the above, GolfWA commissioned this report, a report that is to be a resource that helps to improve their Member Club’s ability to attract younger members. This resource is to outline how clubs can best address the tension that exists between the existing models, develop models or offers that increases the attractiveness of club membership to this age group as well as identify marketing initiatives that are more appealing to attracting and retaining millennial golfers.

A NUMBER OF CHALLENGES EXIST IN GETTING YOUNGER PEOPLE INTO GOLF

1

Time and money. Golf takes a long time to learn and play, and there is a perception that it is an expensive sport.

2

Unlike football, soccer, cricket, hockey and basketball, getting golf into schools is relatively more challenging. Many people discover golf later in life; yet for some (not all), it is difficult to learn. Those that do learn at a junior level are much more inclined to continue throughout their lives.

3

The leadership at golf clubs from committees and board members tend to be older members who have the time to make a contribution to the Club. Most do not have a pathway for engaging younger members into committees and board, leading to older generations driving the culture.

4

Millennials as a generation are less likely to make long term commitments to a residential location. A requirement to pay a joining fee to a Club when they may move away from a convenient location doesn't make sense.

5

Many millennials tend to prefer mixed gender sport, and there are significantly lower numbers of female golfers

6

The general rules and regulations, focus on competition golf and enforcement of dress codes is restrictive and harms participation interest.

FACT:

With the ABS reporting that this cohort represented 43% of the national workforce in 2016, the share of workers who have the traits and mindset of a millennial is forecast to increase to 75% of the workforce by 2025.

The reality is that Millennials are here to stay and will have an increasing impact on how services are delivered and consumed.

Developing effective strategies to meet and satisfy needs of this market will thus play a large role in determining who achieves continued success and who does not.

JUST WHO IS A MILLENNIAL AND WHY SHOULD WE CARE?

There are three general generations known since the post-world war period. These generations have been referred to as the Baby Boomers, Generation X and Generation Y, (also known as Millennials) and more recently Generation Z. No consensus exists for the exact start and end times for these generations, but general consensus exists for a 15 year time period for Baby Boomers, (this being post war through to the beginning of the 1960’s) followed by back to back 20 year periods for Generation’s X, Y and Z, this being the periods 1960 to 1980, 1980 to 2000 and 2000 to the present day.

The period 1980 to 2000 thus reflects those now aged between 20 and 39 (and is the age cohort adopted for this report). Noting the typical life cycle and its stages, millennials have also been known as echo boomers, being the echo from the baby boomer generation. Many wider studies have been written about Millennials. Generally, these studies have flagged that this generation has a far higher engagement with media and technology, a more liberal approach to politics, with their general needs and wants being different from those generations before them. Crossing both workplace and leisure time expectations, what is agreed is that this generation is redefining or asking service providers to redefine what they offer and how they offer it.

In 2016 the Australian Bureau of Statistics (ABS) reported that Millennials accounted for 29% of the estimated population, some 6.9 million of Australia’s 24.2 million people. Whilst an age cohort is being used for this report, the generation reflected represents a mindset. This means that the thinking doesn’t automatically change as they move out of this age cohort.

THE CURRENT STATE OF PLAY – 12 FACTS

1

Participation in golf in Australia has been declining at an average rate of 1.9% per year since 2004.

2

Golf in WA has run counter to this trend, with participation increasing at an average rate of 1.1% per year since 2004.

3

The Millennial market currently accounts for 16% of all affiliated golfers in Western Australia, a market size approximating 5,200 golfers.

4

The millennial market in WA now accounts for 28% (20% in Australia) of total golfers, down from 40% (30%) ten years ago.

5

Approximating 760,000 residents, 30% of the state's 2.56 million people are aged 20 to 39 years.

6

In WA, an average loss in total membership of 1.4% per year has been experienced over the past five years across metropolitan and regional clubs, this loss offset partially by average growth of 4.9% per year in public clubs.

7

At the national and WA state level, there is a continuing contraction in the number of participants in the age cohorts younger than 55 years and an increase in the number of participants in the age cohorts aged over 55 years.

8

There is an average club attraction rate in WA of 6%, averaging 12% for Millennials in metropolitan based clubs, and 9% for Millennials across the State. This attraction rate reflects approximately 400 new millennial members to WA clubs in the 2017 year.

9

From a playing perspective, the Millennial market is currently averaging 17 competition rounds per year, some 40% fewer than the overall average of 29 rounds per annum.

10

In club land, national club membership numbers have been declining by an average of 0.9% per year over the past five years.

11

80% of the state's residents aged between 20 and 39 years reside in the environs of metropolitan Perth. This market represents 31% of the metropolitan population base of 1.9 million, approximating 595,000 people

12

Ten of Perth's 30 Local Government Areas (LGA's) contain a larger concentration of millennials, mainly being inner metropolitan suburbs.

METROPOLITAN POPULATION DISTRIBUTION

…Fishing where the fish are…

Examining the metropolitan market more closely, examination of ABS data has found that metropolitan population base is not equally dispersed, ie there are a greater share of some age cohorts in some areas than others.

On the map to the right the millennial share of population is detailed by Local Government Area (LGA). Results are presented as an index, where one equals the overall metropolitan market share (31%). LGA's where Millennials account for a greater than average share of the population scale towards darker blue. Where accounting for less than the average share of population, the LGA scales towards grey. Light grey reflects a neutral share position of 31%. Golf club locations are identified by yellow (private) and grey (public) dots.

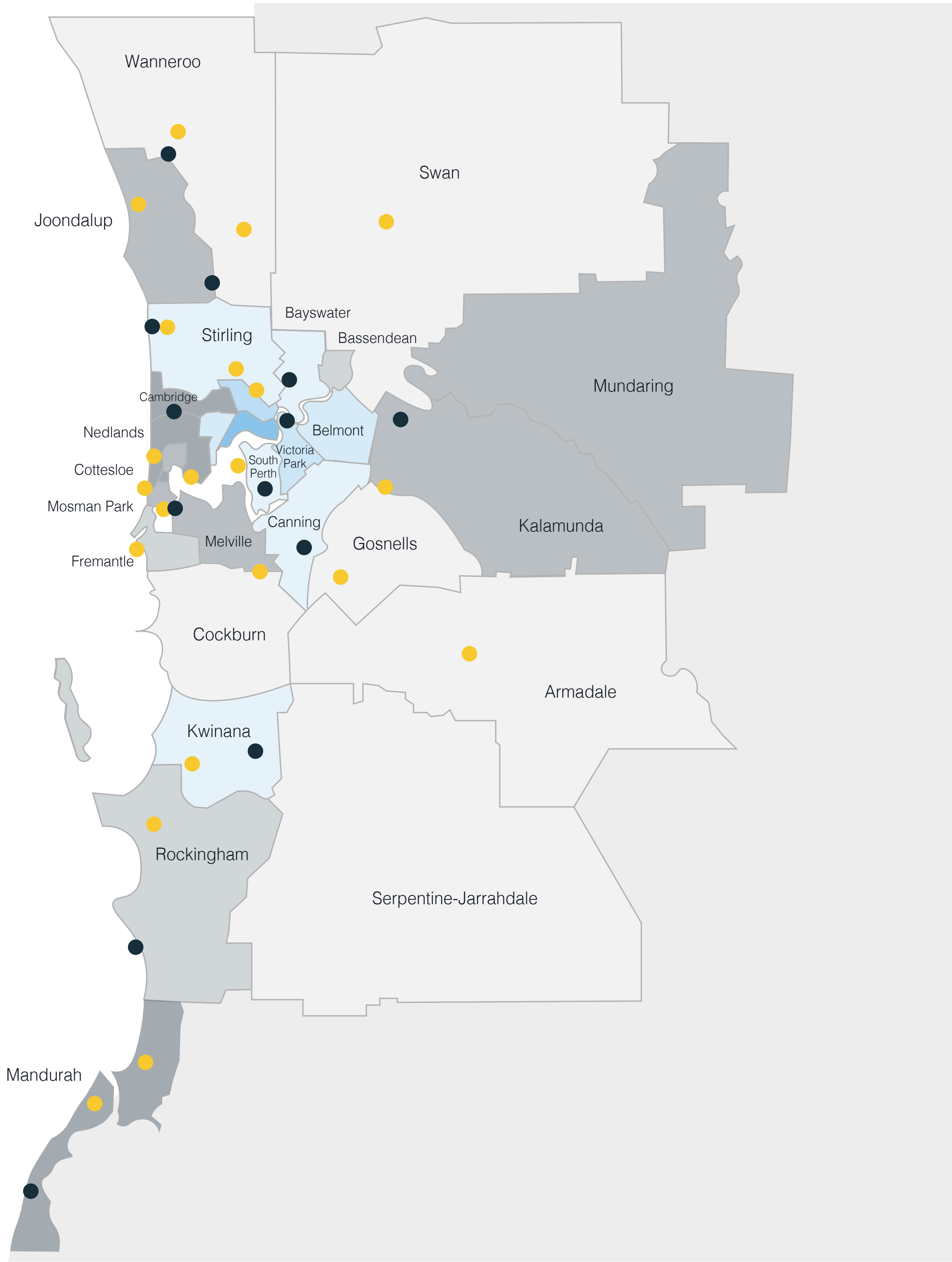
Based on this map, the areas where a greater concentration of millennials reside are the inner metropolitan LGA's of Stirling, Vincent, Subiaco, Bayswater, Belmont, Victoria Park, Canning, South Perth and Perth CBD and the outer LGA of Kwinana.

FACILITY TYPE

Private   Public

MILLENNIAL INDEX

0  2



THE MILLENNIAL AND THE FUTURE

Introduction

As we look to the future, it's best to first understand what's being done in this space. In this section we establish the effectiveness of initiatives currently in place to enhance millennial demand, dive into the challenges they face, establish what golf is competing against in terms of millennial time, and outline the benefits millennials attach to golf.

We also look at current satisfaction, what factors drive it, along with playing patterns, preferred playing times and the type of tailored offers required.

What are we doing for Millennials today? A self-assessment

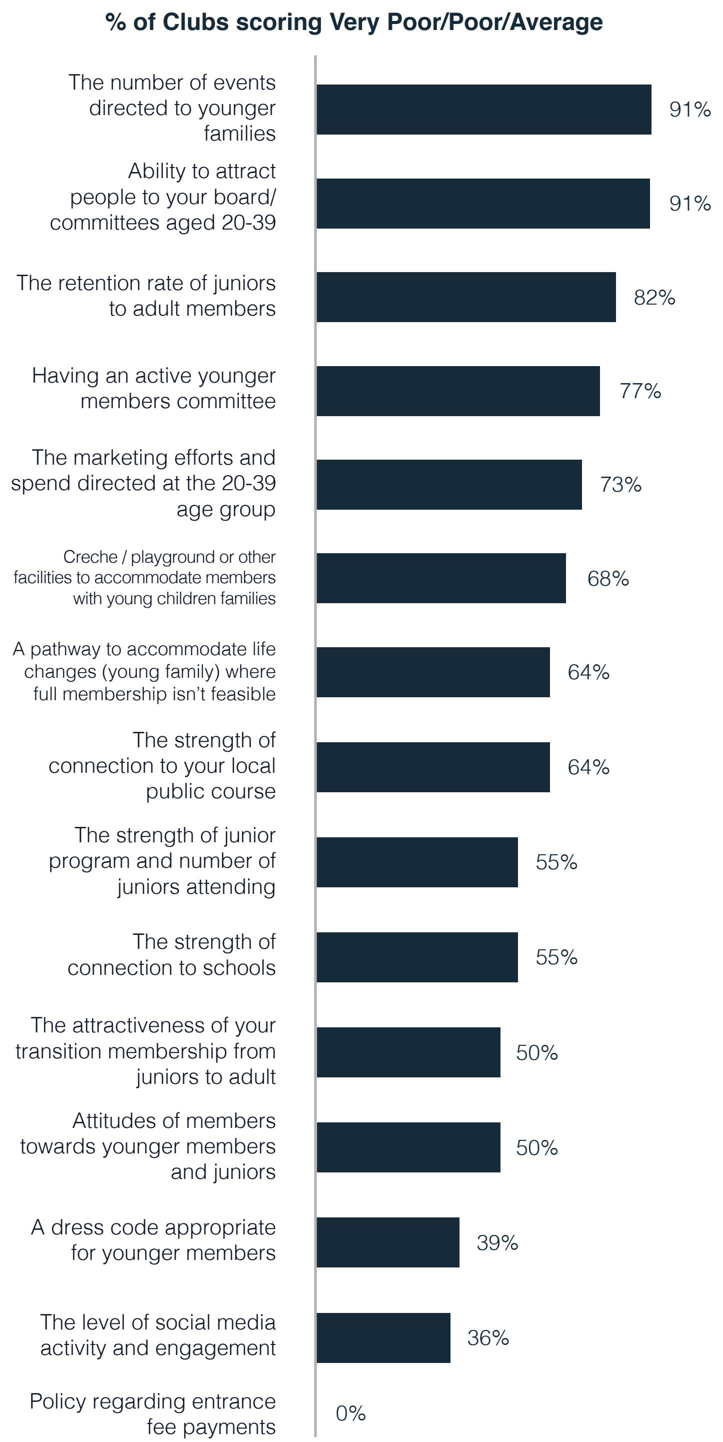
As clubs determine whether (or not) they wish to grow their millennial numbers, we sought to understand from Club Administrators their own self assessed view on their readiness to deal with and accommodate this market.

Using a scale from very poor (1) to very good (5), clubs were asked to indicate how well they felt they were performing in a number of areas pertaining to the attraction and retention of younger members. With an overall average score of 2.8, clubs themselves believe (already know) that there is much they can be doing regarding the Millennial market, but are yet to do so, or are yet to do so in an effective manner.

We illustrate right the results, presenting the percentage of clubs who scored themselves from very poor to average across 15 key measures.

On the positive, more than 60% of surveyed clubs believe they presently have an above average approach to social media activity and dress code (eg less than 40% not rating themselves as at least average). Half of the surveyed clubs also believe there is appropriate attitudes between younger and older members with appropriate transition structures from junior to younger adult membership also in place.

Key areas of self-assessed deficiency include direct focus of younger members via specifically themed targeted events and representation of the Millennial cohort within the club decision making hierarchy.



Millennial Initiative Effectiveness

Overall Total Self Assessed Score Category	Club Count	% share of membership aged 20 to 39 years
<30	2	9%
31-35	3	9%
36-40	4	10%
41-45	5	9%
46-50	6	11%
50+	2	14%

As relevant activity grows, so does share of membership….

Almost as proof of the above actions being effective, whilst there are other factors that determine interest in a club, those clubs that returned a higher self-assessed score also have a higher share of members who are Millennials.

Millennials – their challenges, competing interests and identified benefits. Just what is the issue?…

Sourced from our survey of Millennial club golfers, we illustrate the stated challenges Millennials face when they seek to engage with golf. The dominant challenges are clear to see – Time and Cost.

Whilst simple statements, they have many implications for the sport. Participation in a sport in one's leisure time is a discretionary, personal choice. When that sport however is a comparably heavier consumer of time than alternatives or other leisure activities, the sport becomes vulnerable to these other choices and/or declining levels of time deemed leisure.

How one purchases the activity is also well documented with far greater understanding of the need for perceived value. To the extent that the sport can, and to the extent that the facilities can develop, fund and execute, many initiatives are underway designed to better address these challenges. These initiatives are presenting a new model for golf, this in itself a challenge to accept for traditional thinkers.

…I'm not just a golfer….

With time flagged as a challenge, the insights from survey responses indicate that it is other sporting activities that are as much the competing need as no-leisure time commitments, with millennial golfers are still at an age where they are also participating in other sports.

It is these activities, as much as other social activities which golf is competing against. Given these other interests, seeking to increase the outright frequency of golf play by the millennial may be a fruitless pursuit. A better strategy may be to ensure value is available in the opportunity being presented.

…What's in it for me?...Plenty…

Reflecting a now recognisable trait of the millennial, that being an increasingly social mindset, the desired experience from golf or the perceived benefits from participation highlight one of the key strengths of the sport and its makeup.

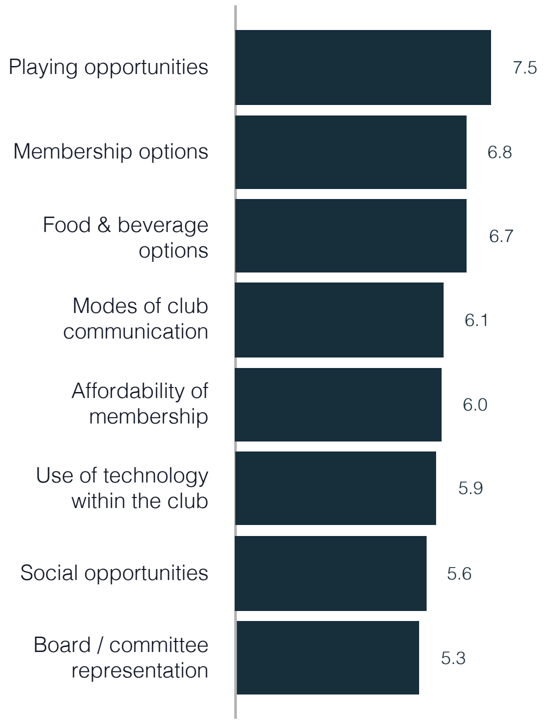
This strength is the ability to combine the social experience with other desired benefits such as exercise, being outdoors, competing, and mental stimulation.

This remains key messaging for the millennial golfer.

Expectations of the millennial golfer

Knowing their challenges, knowing what is already being done to engage with the cohort, how satisfied are they? what are the drivers of satisfaction? what are they seeking? ...

Level of Satisfaction



Note: Scale of 1 to 10 used where 1 equals extremely low and 10 equals extremely high

Current satisfaction

Whilst new member demand (of all ages) is important, so too is existing member satisfaction. In prior club research undertaken by GBAS, in over 90% of survey projects it has been found that younger members (less than 45 years of age) are generally less satisfied than the balance of the club membership.

Seeking to better understand where millennial satisfaction in WA clubs currently sits, via our project survey using a scale of 1 to 10, millennial members were asked how satisfied they were with how their current golf club caters for the needs and preferences of younger golfers.

Answers provided give insight into areas of club operations where lower levels of satisfaction exist, highlighting the opportunities that would deliver better engagement with this market. Key areas of opportunity identified are better representation through boards and committees (5.3 satisfaction) increased social opportunities (5.6), heightened use of technology (5.9), packaging of suitable membership options (6.8) and modes of communication used (6.1).

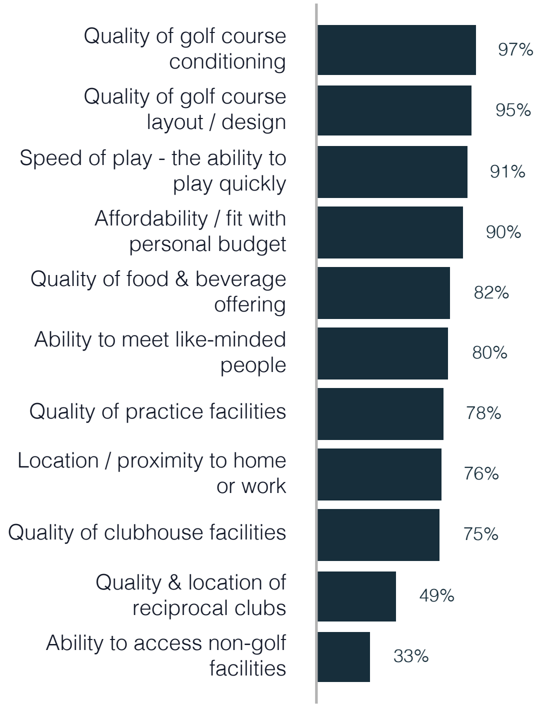
Importantly, it is the playing opportunities available where the highest level of satisfaction exists (7.5), and this was found to be the most important factor driving satisfaction.

Factors driving satisfaction

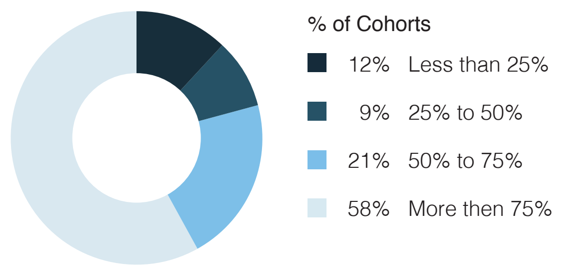
Results from the project survey identify the key factors that are currently driving Millennial club satisfaction. Whilst a number of areas have been identified for improved satisfaction, above all other factors, the golf playing experience and the quality of course conditioning is the key factor to for the millennial golfer.

For the overall golf experience to be fully enjoyed however the project survey has found that the golf experience must fit within the personal budget and (with somewhere else

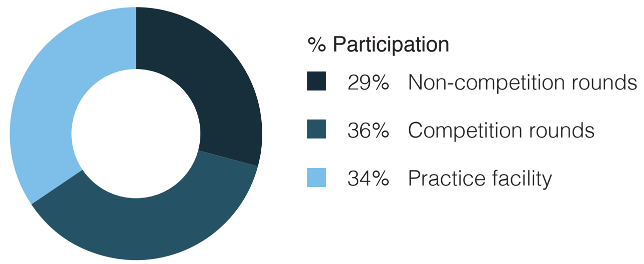
Factors driving Satisfaction



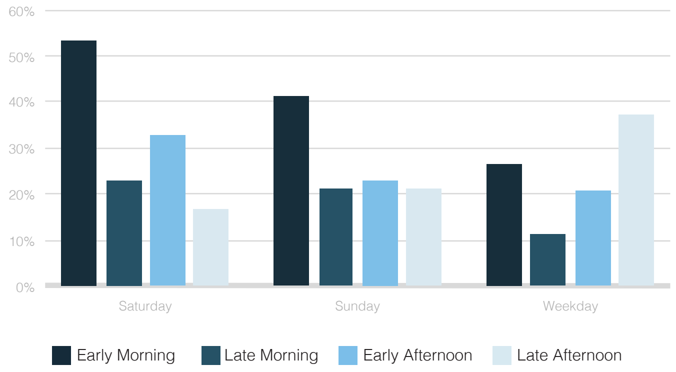
% of rounds played at home club



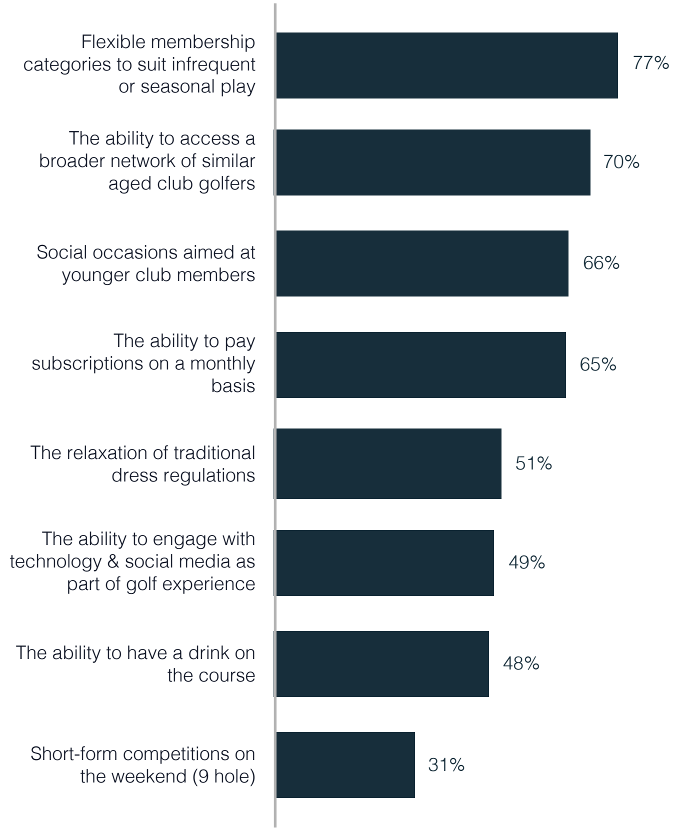
Type of Participation



Preferred Playing Times



Importance to Satisfaction



always to go), must be able to be played in an efficient amount of time. Less important but still key components of satisfaction are the ancillary amenities, location (convenience) and other like-minded people to develop relationships with.

Loyalty, playing patterns and preferred playing times

...So golf's important - where, what type and when does it happen?...

Approximately 60% of millennial members report playing more than 75% of their rounds at their home club, with a further 20% playing more than half at the home facility. Project research indicates that the secret to a high level of home course play is linked to distance travelled.

Facilities within a 30-minute drive time will capture a higher degree of all rounds played than those who have millennial members who reside beyond this drive time. Location and access defines rounds loyalty.

It's not all about competitions! ....

For Millennials, our research has found there is an equal interest or level of participation in competition golf, non-competition golf and golf practice, all near equally shared.

This interest highlights the need for casual game opportunities within the weekly calendar. With time at a premium, practice is also a key component within overall participation and thus is another feature/benefit some clubs can highlight to assist broaden the wider membership offer.

...When can I play?...

In a perfect world clubs would operate with consistent levels of demand, spread evenly across the 7-day week. Unfortunately we do not live in such a world!

Given the structure of the typical working week, whilst changing, weekends remain the premium times for golf participation and the preferred times for millennial members. With a preference noted for early morning over any other weekend period, the focus shifts to afternoons during the week, rounding out the working day.

Tailored Offerings

...What else can we do?...

Previously published reports concerning millennials from other international markets identified a number of offerings as being of particular importance to younger golfers. Seeking to link this research to the Australian market, these offering were tested asking how significant each were and would likely contribute to satisfaction as a club member.

Illustrated left, key offerings (those rated as quite to extremely significant) to millennial members in Australia are membership access options that suit flexibility, and opportunities to play with 'like aged' golfers. Social events aimed at a younger demographic and payment options that suit monthly cashflows are the next two most important offers that clubs could be making to better attract millennial members.

ADMINISTRATOR COMMENTS

Following are some comments received from Club Administrators.

"...Our experiences in the last 5 years would indicate that millennial golfers have a high attrition rate due to a more restricted family spend. Golf is very easily dropped for other financial commitments. Without a forced loyalty through nomination, they change courses often once the novelty of one course wears off and they want to change. They are very reliant on friends being at the club and the nature says that their friends will not be around long-term so it is likely they will drop out when their friends do. They are competitive people that join but not into the competitive traditions a golf club offers. Hence, they find it difficult to assimilate with the traditional member..."

"...As a semi private club relying heavily on green fee rounds as well as membership, we are seeing golfers in the 18-40 bracket being happy to play socially with mates but not join a club or commit to memberships. Pay as you go mentality tends to dominate this age bracket..."

"...Our new Flexi-7 membership is working well and has attracted an average age of 44 compared to the overall of 65. This membership is at its cap of 100 members and we are looking at how it fits as a permanent membership category..."

"...I feel we have made progress in the last couple of years since implementing a Youth category of membership for those golfers aged 18-30 ..."

"...We have moved away from a traditional Membership structure to in some ways an entirely credit-based structure with no joining fee that has resulted in 327 new golfing members joining, 80 of them being 20-39 years old..."

HOW MILLENNIAL FRIENDLY ARE YOU?

All of the key content, findings, recommendations, strategies and ideas contained in this report have been extracted and are listed in the following below. Whilst each facility will have their own unique circumstances and needs, and whilst there is also no limit to new ideas, we encourage you to consult this checklist as you measure how millennial friendly you are and develop your future strategies to engage with this market.

- Ensure you have a transition program that appropriately moves juniors through the early millennial years and the early family years.
- Don't forget that golf is a fun, social and experiential activity. It should be conveyed as such in your promotional material.
- Do you have a suitable pay-as-you-go membership offer? Can it bundle something not related to golf?
- Can your membership payment options be structured on a monthly basis?
- For Millennials there is an equal interest or level of participation in competition golf, non-competition golf and golf practice. Are you promoting times of the week suitable for social play?
- Practice also matters — what time does your range or practice area close? Could it be later, with some lights added?
- Assess your dress code, considering how appropriate it is for younger members.
- Ensure your social media initiatives have some specific goals re millennial engagement.

> Continue to develop harmonious relationships between the young and the less young.

> Consider what you can do for members with young children. Can your amenities accommodate a playground?

> Ensure marketing initiatives speak the language of millennials. Don't be afraid to ask them how to speak to them.

> Communicate through social media — seek a conversation and engage. Likes and recommendations matter, so to do online reviews.

> Is your web site mobile friendly? Chances are the full version will never be visited.

> Review your food menus for some more modern options. Whilst thinking F&B, can your beer options include / rotate through some craft beers?

> Consider if specifically themed targeted events can be created – guest speaker with relevance to their life stage, in a convenient location with like-minded people.

> Determine how some Millennial representation can be included within the club decision making hierarchy.

> Accept that millennials are still at an age where they are also participating in other sports. Focus on the value of the offer made, not an outright increase in rounds.

> Ensure your messaging promotes the intangible benefits of golf – socialisation, combined with exercise, being outdoors, the mental stimulation from the game.

> Do you have a technology strategy? Are you optimising its use?

> Know that the golf playing experience and the quality of course conditioning is the key factor to for the millennial golfer. Make it a focus of your communications.

> Know also that pace of play matters – promote it, seek a commitment.

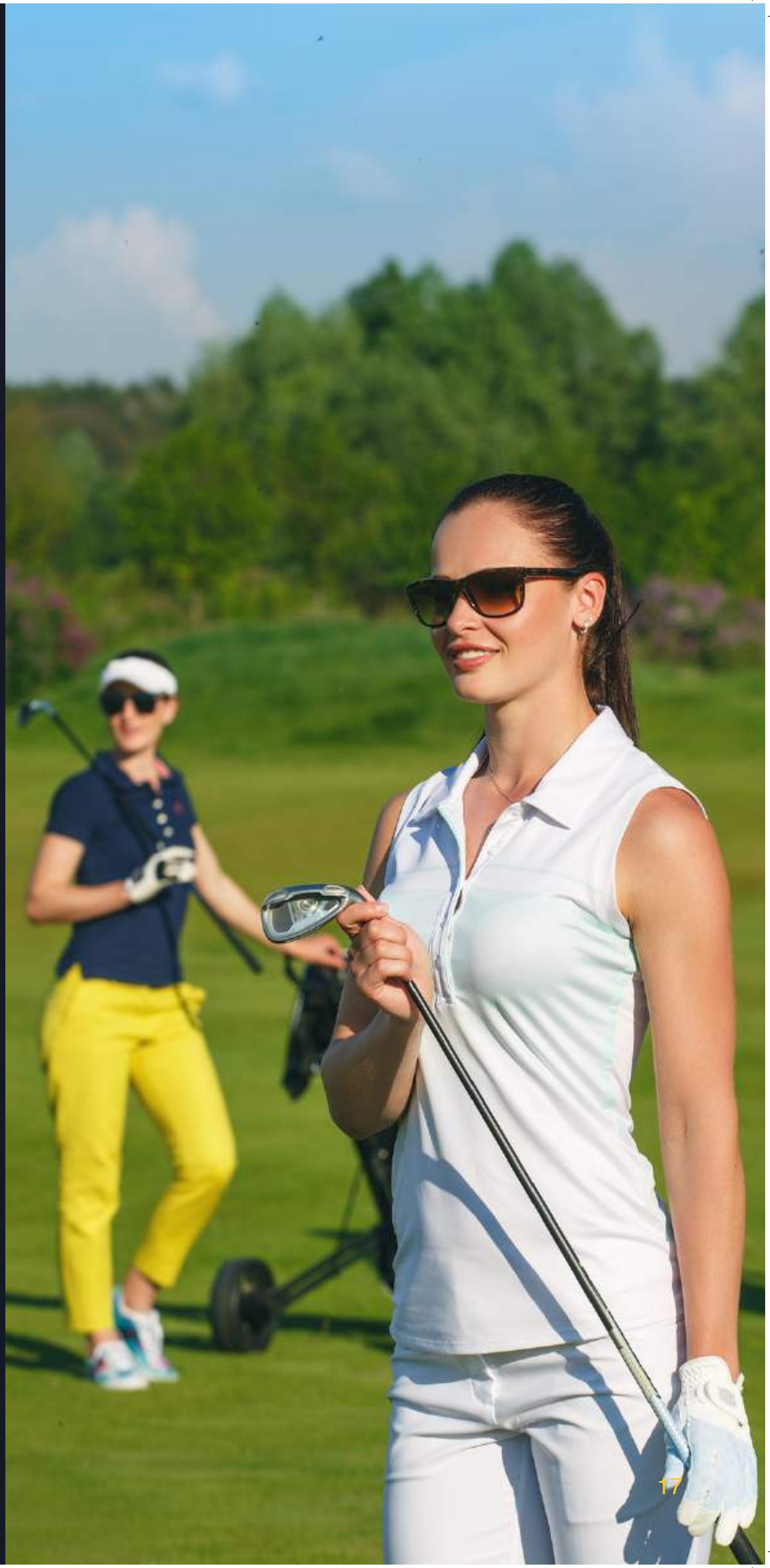
> Distance to be travelled matters. Know the distance as you engage with potential new members, working out what is right for them. You'll get more loyalty from those within a 30-minute drive time.

> Can you create some aged based events – Millennials v Boomers as opposed to Captains v Presidents event?

> Are there some team event options that you can include in your syllabus?

> As you seek to build your knowledge, can you incentivise the sharing of personal information? Millennials are known for sharing if they get something in return.

> Can your product (occasionally) be given the + treatment? Music on golf carts, a day with golf boards and golf bikes, show that you can see the future.



THE MILLENNIAL SPEAKS

Advice Offered by Millennials to Club Administrators… Want to listen?...

Our survey of millennial club golfers provided the opportunity to solicit free-form advice via the question “If you could give any advice to golf clubs on how they can better meet the needs of younger golfers, what advice would you give?”

Outlined below are some of the statements provided.

"...Think to the future of the club and not the status quo as they are fast becoming a dying breed. The world has changed. Provide an atmosphere for a whole, young family starting out in the world..."

"...Lifestyle membership options that allow to effectively pay per play. Private clubs are of much better quality, but you do feel you subsidise those that can play more often..."

"...It is more attractive to pay small amounts more often, rather than large up-front costs. The flexibility to also cancel is huge, rather than being locked in for a year. Why not give an option for that, and if someone chooses to cancel, just need to pay for the next month and that's it. If you give these options to younger people who are considering getting involved in golf it will help break down the barriers and perception that getting involved in golf is hard..."

"...Boards and committees are typically full of old, typically male, and often not very good golfers. They are often oblivious to the world outside their sphere, and have little interest in hearing other views, especially from younger members. Representation from younger members in such committees would be a start..."

"...It's 2018! Relax on the out-dated etiquette snobbery. As long as shirts are tucked in and socks are white, the dress standard is fine. Clubs will only continue to scare potential young members away otherwise...."

"...Although I am very happy with the way clubs operate (it suits me), I feel greater reach to younger generations for golf would need far better use of social media and more relevant social media posts that will engage younger users..."

"...Club traditions can still be respected whilst taking on a more forward thinking/modern approach to the game..."

"...I believe golf clubs have a tricky task of holding onto history and traditions which taught me a lot growing up and which I am very appreciative of. At the same time they need to stay relevant for income..."

"...Clubs need to change with the times. If a clean tucked in t-shirt in the club house isn't good enough what is? Do we need to cover our ankles when wearing socks? If we spent more time selling the club to new members instead of looking at our own dress standards maybe we could increase membership?..."

"...Flexible membership options for young professionals and allow the golf club board representation to have at least one millennial on the board to contribute on strategic vision and governance, to break the political/hierarchal old school mindset. Need to revolutionise the perception of golf in community, to engage young people..."

"...Social competitions later in the afternoon like social sports run comps on weekdays. Have team events where you create a small team and you play matches every week at a course..."

"...The older generations still rule the golf course with their traditions and mentality. Although it is important to always be respectful to the elders and have golf etiquette, it can be intimidating and a turn off from playing golf around these groups of people that take an element of enjoyment and relaxation from a round..."

"...It is a tough issue, long term older members have built up significant equity in their membership. Younger members don't/can't want to pony up that equity up front. Both the generations need to understand the others perspective..."

"...Because we are so time poor these days, where we spend what little leisure time we have available to us is a simple equation - what will be the most enjoyable use of my time? How golf clubs in WA respond to that question will determine whether young members are interested in taking up the great game of golf..."

OTHER INDUSTRY RESEARCH

UNCOVERING GENERATIONAL ATTITUDES ABOUT CLUB MEMBERSHIPS — CMAA

In November 2016, CMAA in partnership with the Centre for Generational Kinetics released a generational national study that explored the beliefs and perceptions of Millennial golfers in the USA Americans, seeking to provide insight into the future of clubs. Covering lifestyle, interests, amenities, recommendations and flexibility, the full report can be found at — https://www.cmaa.org/uploadedFiles/Research/Millennial_Insights/Millenial-Insights-Research-White-Paper.pdf

GOLF AND THE MILLENNIAL GENERATION — NATIONAL GOLF FOUNDATION

In July 2015 the National Golf Foundation (NGF) in the USA produced a research report titled "Golf and the Millennial Generation". Leading with the statement "Golf must modernise its brand" and noting that the game and business of golf has always evolved, the goal of the report was to provide the industry with original and actionable insights regarding the millennial golfer. The full report can be found at — https://golf2020.com/wp-content/uploads/2017/11/millennial_report_ngf.pdf

THE TRUTH ABOUT MILLENNIAL GOLFERS — NEXGENGOLF & GGA

In late 2017 NexGenGolf, in partnership with a golf consulting firm, published results of a study into the behaviours and traits of Millennial golfers. Titled "The Truth about Millennial Golfers" the report sought to understand how many 'degrees of separation' there are between the Millennial cohort and the private club membership offer. In undertaking the research the focus was on the active, avid Millennial with results thus not reflective of 'average Millennial golfer'. The full report can be found at — https://lp.nextgengolf.org/truth-about-millennial-golfers-presentation

HOW TO REACH MILLENNIAL GOLFERS — CHRONOGOLF

Chronogolf are a US based golf technology company providing cloud-based software and marketing solutions to golf courses. In January 2018 they published a blog post outlining their insights into Millennial golfer wants. The full article can be found at — https://blog.chronogolf.com/12-things-millennial-golfers-want

MILLENNIALS & GOLF — EZILINKS GOLF

Ezilinks Golf are also a US based golf technology company providing software and marketing solutions to the golf industry. In February 2018 they published a blog post containing "5 fast facts" concerning millennials. Whilst US centric, some common themes are present to our local market findings. The full article can be found at — https://www.ezlinksgolf.com/2018/288-5-fast-facts-about-millennials-golf

SUPPORTING INFORMATION

Introduction

Supporting this report is all of the typical information you'd like to know exists but are likely to skip through. We've put it at the back so as to not waste your time, knowing you can read this on a rainy day.

Scope of Work

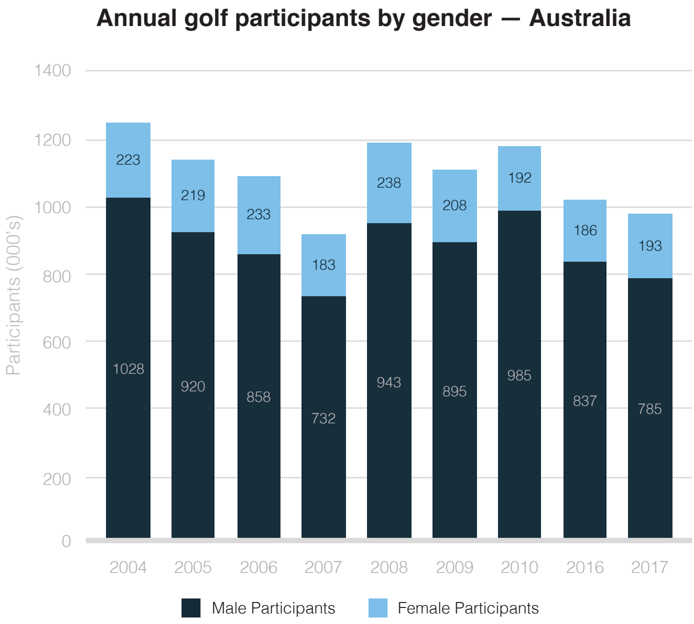
A three-part approach was undertaken to deliver this report.

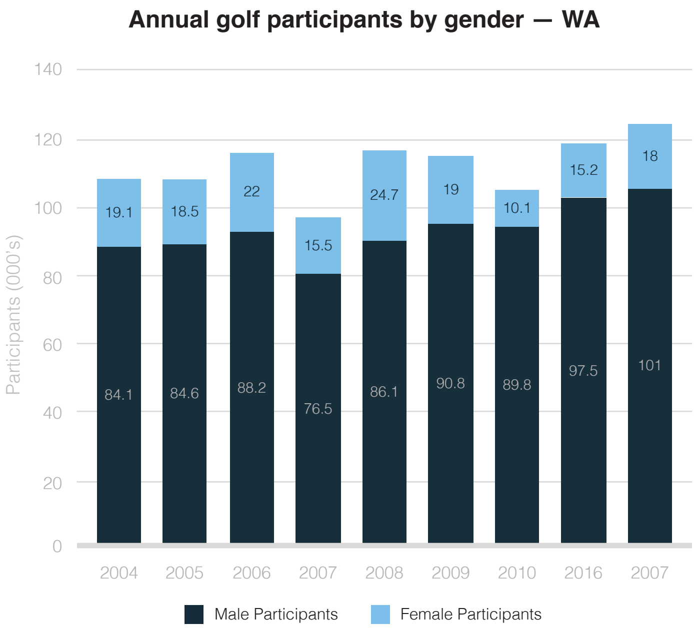
Part 1 – Young Member Committee Workshop
A workshop with the GolfWA Young Members Committee was undertaken, this workshop helping to ensure the market research initiatives were well constructed and fully informed.

Part 2 – Market Scan and Review of GolfLink Data
There have been a number of international reports published that concern the millennial golfer. The key learnings from these reports have been extracted and reviewed for relevance in Australia. Via GolfLink and the 2014-17 National Club Participation Reports, data was also extracted to illustrate the broader state-based age profiles, with data further interrogated on a regional basis.

Part 3 – Surveys of Club Management and Millennial Club Members
In order to establish an accurate baseline, all members of Golf Management Australia WA (GMA WA) were surveyed, with specific data collected concerning the targeted age cohort. Twenty-two clubs provided data with these members also taking part in a self-assessment exercise that established the collective view of current initiatives regarding millennial golfers. Findings from this survey are detailed and utilised throughout this report.

Via participating golf clubs, 530 existing millennial club members were surveyed, allowing for the collection and identification of the current views of this age cohort. Participating clubs sent an email invitation to existing millennial members with millennial members responding to a 21-question survey, drafted to establish the key motivations for joining a club, length of involvement with the game, introduction channel, factors important to club participation and of interest to millennials. Findings from this survey are detailed and utilised throughout this report.





Source: ERASS, AusPlay

The Current State of Play

National and State Golf Participation

Introduction

As background to this report, we outline the current state of play regarding golf participation in Australia and Western Australia (WA).

In 2016 the Australian Sports Commission (ASC) re-started its reporting on sports participation in Australia. This reporting had ceased in 2011, having been an annual publication since 1998. Whilst a slightly different methodology was used in the now titled Ausplay research (compared to the previously titled Exercise, Recreation & Sport Surveys (ERASS)), in order to create some insight as to the longer-term trend in overall participation in golf, results from the old ERASS reports from 2004 to 2010, and the two new data sets from the first two AusPlay reports published in 2017 and 2018 have been combined to create a long-term view of the historical participation trends in golf.

AusPlay 2017 Results

Released in April 2018, data from Ausplay 2017 indicates a total of 980,000 people, or approximately 5% of the population, participated in golf in the 12-month period to December 2017. This result is slightly under that reported in 2016 (1.022m) and indicates a fall of approximately 4% over the prior year. Over the longer term this result contributes to an average annual decline of 1.9% per year in total participation numbers since 2004.

For the annual period other key outcomes included:

> A 6% decline in male participation numbers over the 12-month period (declining by an average of 2% per year since 2004).

> A 4% increase in female participation numbers over the 12-month period (declining by an average of 1% per year since 2004).

> Males account for 80% of all golfers, steady over the period.

From a WA perspective data from Ausplay 2017 indicates a total of 119,000 people, or approximately 5% of the state's population, participated in golf in the 12-month period to December 2017. This result was slightly higher than that reported in 2016 (113,000). Over the longer-term participation in golf has generally been trending upward, somewhat counter to the national outcomes.

The annual results by gender are illustrated on the left.

ANNUAL GOLF PARTICIPATION BY AGE COHORT

Of relevance to this study is assessment of the AusPlay results by age cohort. 2017 data reveals a continuation of the trend that first began to emerge in 2007, this being a continuing contraction in the number of participants in the age cohorts younger than 55 years and an increase in the number of participants in the age cohorts aged over 55 years.

The annual results by age cohort for the period 2004 to 2017 are illustrated below.

Note: *To gauge the wider participation trend within millennials as reported at the national and state level, the nearest age group to the 20-39 year old market as reported by Ausplay has been adopted for this section, that being the market 25 to 44 years.*

SPECIFIC FINDINGS FOR 2017 INCLUDE:

1. Nationally, the millennial market (25-44 years) now accounts for 20% of total golfers, down from 30% ten years ago.

2. The size of the national age cohort 35-44 years has halved since 2010, now accounting for 11% of total demand.

3. Nationally, the 65 year plus age cohort has increased to 38% of total golf demand, doubling in share since 2008.

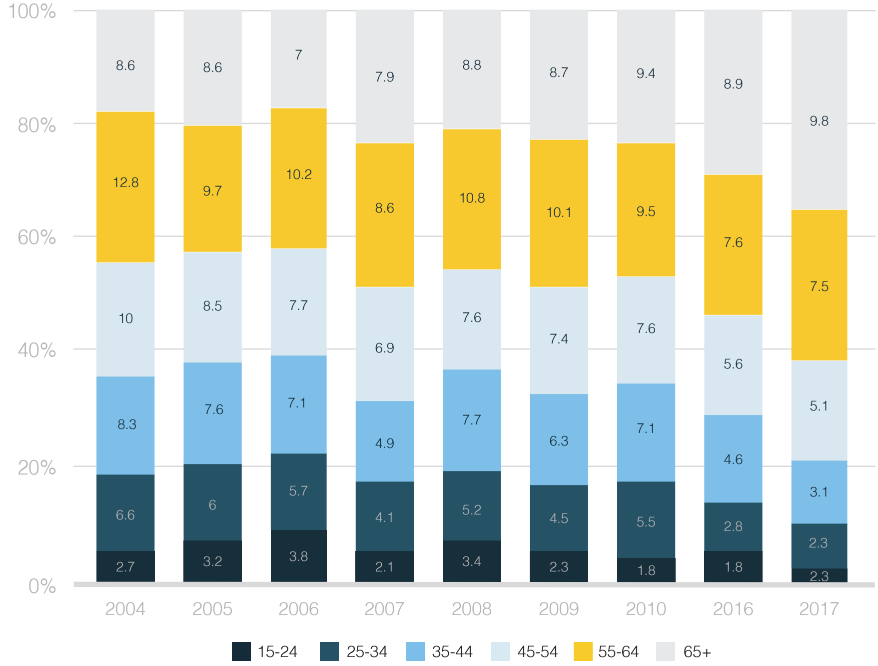
From a WA perspective data the trend within Millennials has been similar to that experienced at a national level, that being a contraction in the overall size of the market.

4. In WA, the millennial market (25-44 years) now accounts for 28% of total golfers, down from near 40% ten years ago.

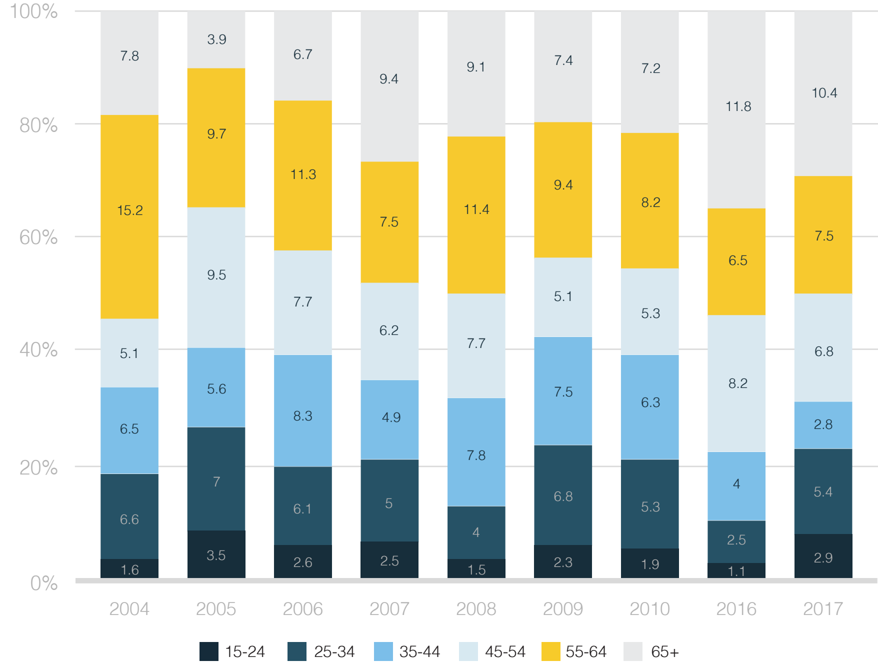
5. The participation rate of the age cohort 35-44 years in WA halved since 2010, down to 2.8% from over 6% in 2010.

6. In WA, the 65 year plus age cohort has increased to over 30% of total golf demand, with the participation rate exceeding 10%.

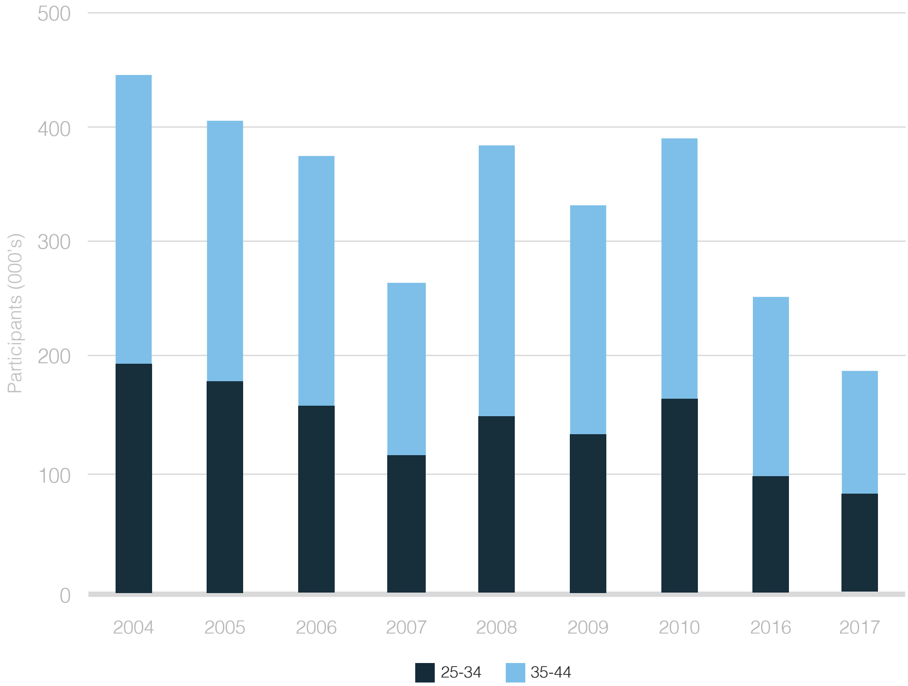
Annual golf participant rate by age cohort — Australia



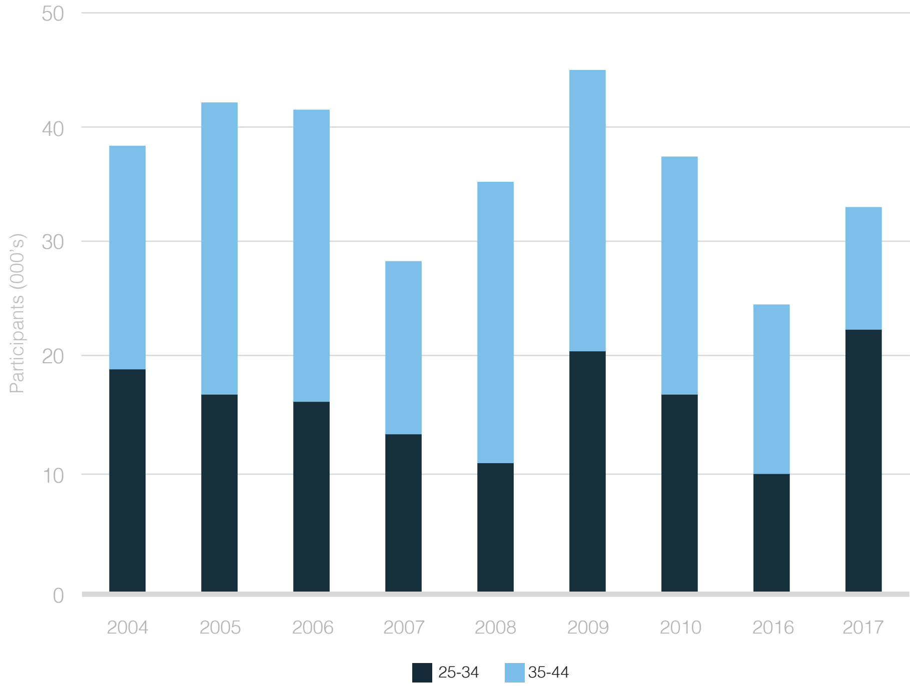
Annual golf participation rate by age cohort — WA



Annual golf participants — Millennials — Australia



Annual golf participants — Millennials — WA



Club Golf Participation

National Results

In June 2018 Golf Australia released its 2017 National Club Participation Report. Now in its 5th year in this format, this report provides the wider golf industry with annual club participation information.

For the 2017 period, national membership numbers across Australia declined by 1.1%, reflecting an average annual decline of 0.9% over the past five years. Over the past five years the decline recorded has been more evident in regional areas, averaging 1.3% per annum, compared to 1.0% in metropolitan areas.

State Results

From a state perspective, in 2017 membership numbers in Western Australia declined by 2.6%, with an average cumulative loss of 0.4% over the past five years.

The overall movement for metropolitan clubs in 2017 was a decline of 4.3%, this decline was somewhat offset by a 4.9% increase in Public Club members, these clubs typically being metropolitan based. Regional based clubs in 2017 suffered a decline of 3.8%, this contributing to an average annual decline of 1.6% in this market over the past five-year period.

Demand Mix by Age

Given the focus of this report an understanding of the current age mix evident within WA's golf clubs provides further context around the Millennial market. Utilising data sourced from GolfLink and that provided by surveyed clubs in metropolitan Perth, based on the age cohorts used, the Millennial market currently accounts for 16% of all affiliated golfers in Western Australia.

Based on this share, across the State, it is presently estimated that there are approximately 5,200 club golfers

GolfWA Membership Numbers 2013 to 2017

Region	2013	2014	2015	2016	2017	2016-2017 Δ	CAAG %
Metropolitan	16 317	16 730	16 457	16 235	15 545	-4%	-1%
Regional	11 680	11 737	11 355	11 370	10 935	-4%	-2%
Public	4 840	5 160	5 627	5 593	5 867	5%	5%
Total	32 837	33 627	33 439	33 198	32 347	-3%	0%
Metro & Public	21 157	21 890	22 084	21 828	21 412	-2%	0%

Source: GBAS, GolfWA

Note: CAAG = Compound Average Annual Growth

GolfWA Membership by Age Cohort - 2017

Age Cohort	Metropolitan	Regional	Public	Total
10 to 19	553	424	83	1 083
20 to 39	1 792	2 325	1 345	5 184
40 to 59	4 958	3 689	2 247	10 788
60+	8 242	4 497	2 192	15 292
Total	15 545	10 935	5 867	32 347
10 to 19	4%	4%	1%	3%
20 to 39	12%	21%	23%	16%
40 to 59	32%	34%	38%	33%
60+	53%	41%	37%	47%
Total	100%	100%	100%	100%

Source: GBAS, GolfLink, Golf Clubs

classified as millennials, falling between the ages of 20 and 39 years of age. The age mix evident indicates that there is material difference within the club member age mix when assessed by geography. The millennial share evident ranges from 12% of the members in the metropolitan market to 23% within GolfWA's affiliated Public Clubs, these clubs being predominantly metropolitan based.

New Millennial Member Demand

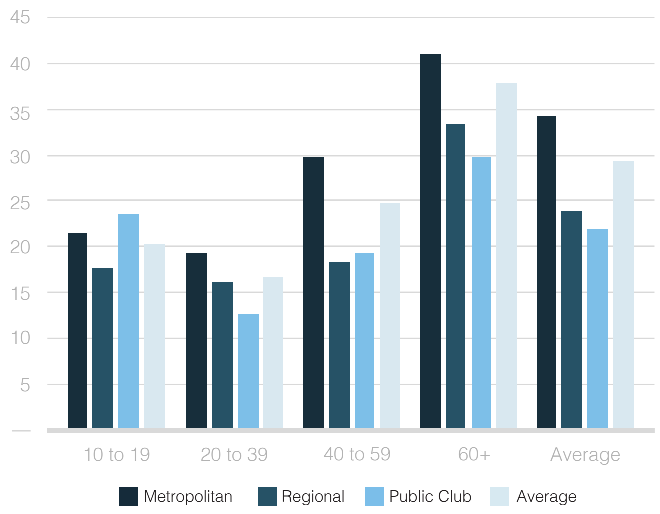
Whilst the focus of this report is on increasing millennial engagement in golf clubs, there is on-going evidence of

GolfWA New Member Demand by Age Cohort - 2017

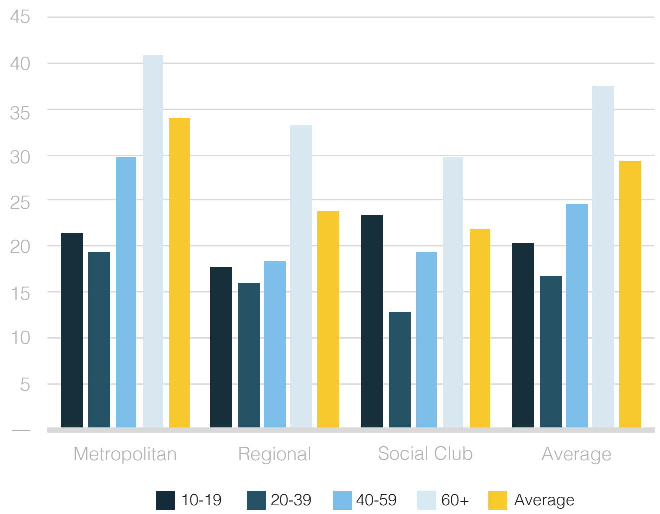
Age Cohort	Metropolitan	Regional	Total
10 to 19	16%	12%	14%
20 to 39	12%	7%	9%
40 to 59	7%	5%	6%
60+	2%	2%	2%
Average	6%	7%	6%

Source: GBAS, GolfLink

Average Rounds Played (Competition)
per annum



Average Rounds Played (Competition)
per annum



Source: GBAS, GolfLink, Golf Clubs

existing engagement in golf clubs. The 2017 GA National Club Participation Report notes an average club attraction rate for WA of 6% with approximately 1,400 new members joining club in 2017. The attraction rate is strongest in the younger age cohorts, averaging 12% for Millennials in metropolitan based clubs, and 9% across the State. This attraction rate reflects approximately 400 new millennial members to clubs in the 2017 year.

New demand can also be assessed by age share, comparing new demand age share to existing age share. In 2017 Millennial demand is shown as accounting for 25% of new share in metropolitan clubs and near one third of new demand in regional clubs, some 14 and 11 points higher than their respectively current cohort sizes.

Rounds Demand

The final measure examined to establish the current state of play is rounds played, one of the most important drivers to club-based participation. Utilising data sourced from GolfLink and that provided by surveyed clubs in metropolitan Perth, on average the Millennial market is currently averaging 17 rounds per year, some 40% fewer than the overall average of 29 rounds per annum.

	Metropolitan			Regional		
Age Cohort	Existing % Share	New Member % Share	Movement in Share	Existing % Share	New Member % Share	Movement in Share
10 to 19	4%	11%	7%	4%	9%	5%
20 to 39	12%	25%	14%	21%	32%	11%
40 to 59	32%	40%	8%	34%	38%	5%
60+	53%	24%	-29%	41%	21%	-20%

Source: GBAS, GolfLink

Population Distribution

With golf demand a function of population levels, and millennials a cohort within this population, as final background to this report, it is appropriate to outline current population realities in WA. Via the 2016 census conducted by the Australian Bureau of Statistics (ABS), key findings for WA overall and as relevant to this report include:

> State population totals approximately 2.56 million

> Approximately 75% of the state's population reside in a metropolitan located local government area (LGA)

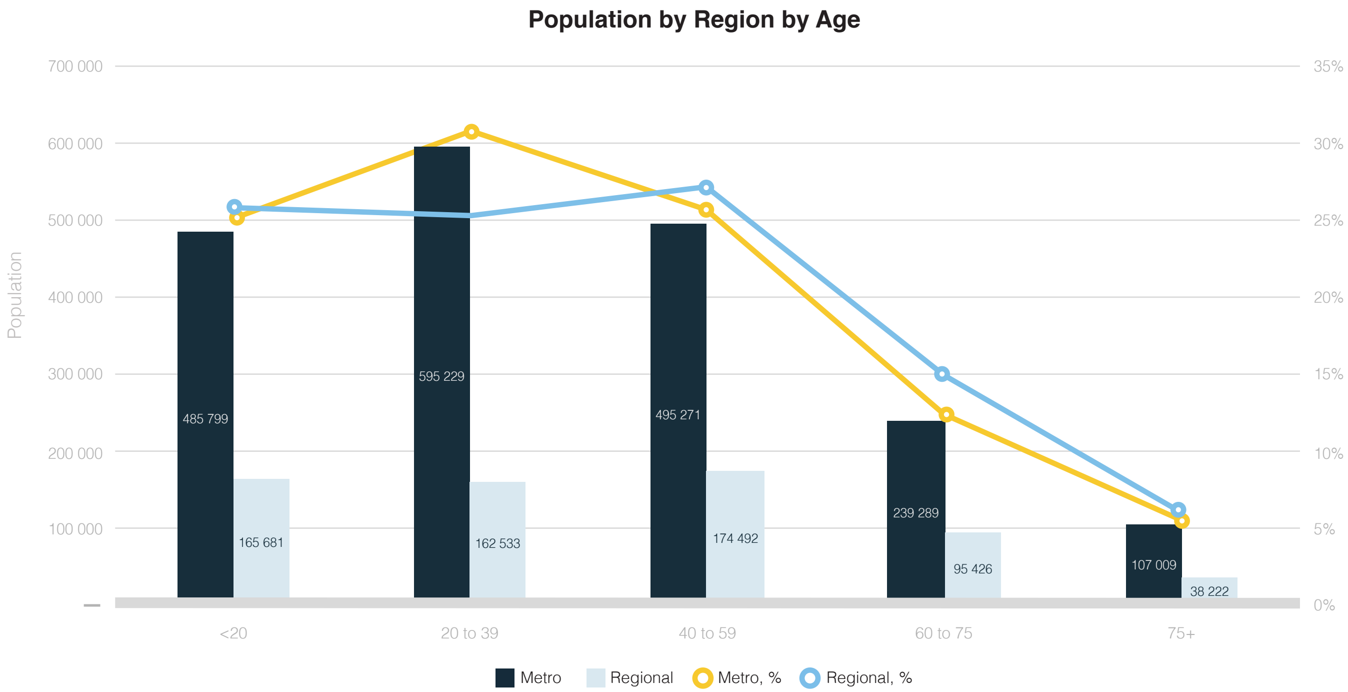
> Approximating 760,000 residents, 30% of the state's population is aged between 20 and 39 years.

> Total metropolitan population approximates 1.9 million people.

> 31% of the metropolitan population base is aged between 20 and 39 years, approximating 595,000 people.

> 80% of the state's residents aged between 20 and 39 years reside in the environs of metropolitan Perth.

Current population numbers by region and by age cohort are illustrated below.



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