# Golfer Media Consumption & Consumer Insights 2014

Sports Illustrated GOLF GROUP

SPORTS& LEISURE RESEARCH GROUP

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# Agenda

- How Golfers Consume Media
  - Unique strengths by media type
  - Engagement levels across mediums
- Golfer expectations for 2014: perceptions, participation, spending and retail channel preferences
- Golfer attitudes in 2014, five year trends and their implications for the industry

# How Golfers Consume Media

# SI Golf Group Media Consumption

## Overview

**1,400 Golfers** (Avid, Core & Casual)

- **Demonstrate** how modern-day golfers consume golf media across all platforms
- **Measure** the value of multi-platform for golfers
- **Segment** golfers by behavioral & demographic variables to determine key subgroups of media consumers
- **Gain** perspective on how selected representative golfers consume media

# Two-minute takeaways

## VORACIOUS.

**Golfers are increasing their usage of all media channels to enhance their golf experience, and television, print and websites are most prevalent.**

## ADDITIVE.

**In a fragmented environment, new media channels have seen slow but steady adoption.  However, new media consumption isn't coming at the expense of traditional media.**

## DIFFERENT.

**Golfers prioritize their media for golf in different ways than they do for other sports.**

## DIVERSE.

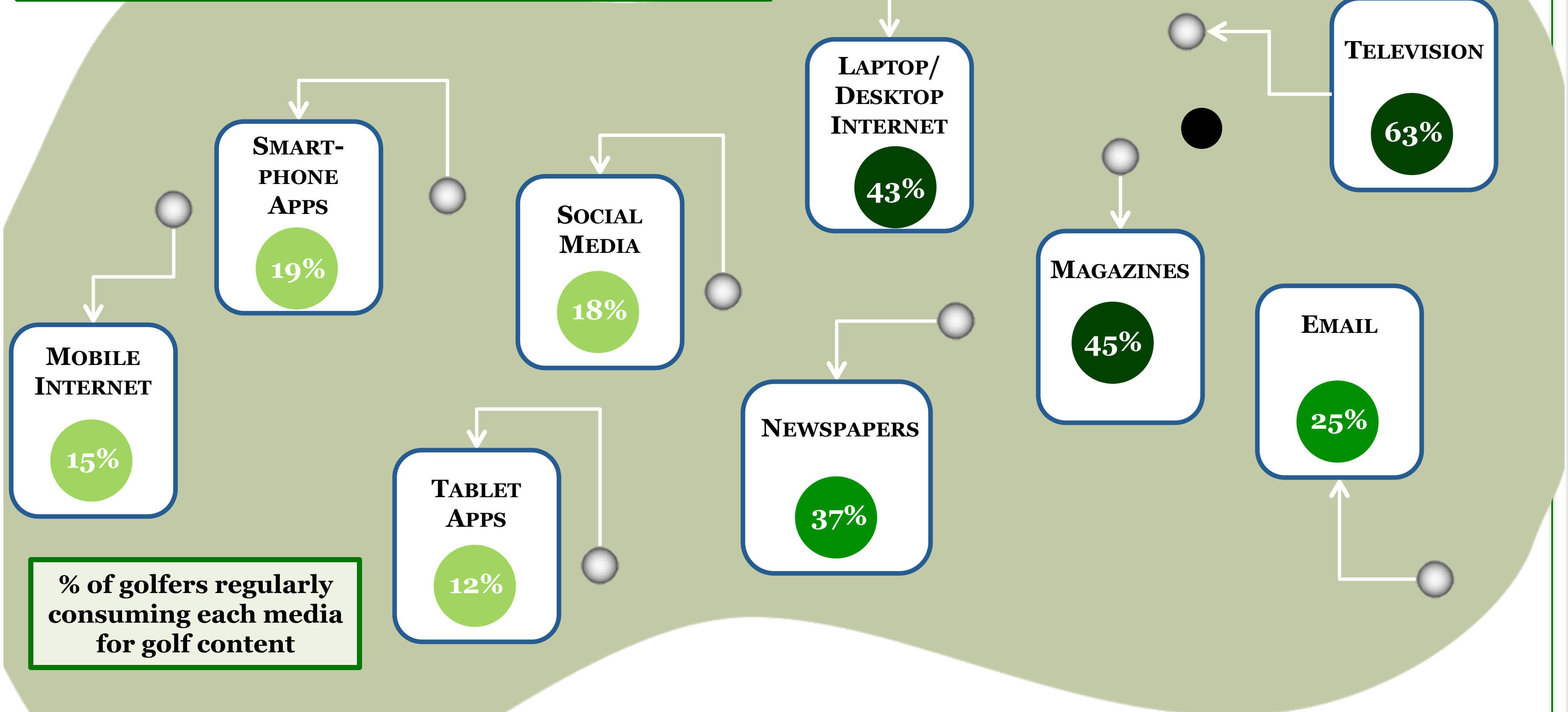
**Cross platform usage patterns show golfers perceiving different media having unique strengths across various content areas.**

## ENGAGEMENT.

**Print golf media shows particular strength in delivering content in an undistracted environment, while heavy DVR usage and multi-tasking behaviors create a conundrum for television advertisers.**

# GOLFERS REGULARLY CONSUME VARIOUS MEDIA

**65% REGULARLY USE MAGAZINES OR INTERNET…one of the biggest combinations.**




**% of golfers regularly consuming each media for golf content**

- **Television and magazines are the two highest consumed golf media**
- **Magazines' performance is particularly strong among avid golfers**

# MEDIA PROLIFERATION: MORE IS MORE

## MEDIA'S NEW INFLECTION POINT:

"*With the proliferation of new media—those most engaged see new media as additive rather than as replacements for traditional, trusted sources.*"

– November 12th, 2013

MediaPost's MARKETING sports

*In fact, it appears to have* **FUELED** *the consumption level of golfing consumers.*

# A Fragmented Multi-Platform Environment

## Average # of Media Sources


Single Digit Handicap Golfers
4.6

Private Club Members
4.8

Golfers HHI $150K +
4.5

Avid Golfers
4.1

Golfers HHI < $50K
3.4

Core Golfers
3.8

Casual Golfers
2.8

Average # of media sources regularly used for golf content

# Golfers Are Spending More Time with Tier 1 Media

## Media Proliferation: More is More

### 1st Tier Media

**Following Golf on Laptop/Desktop**

**Reading Magazines**


**Watching Golf on Television**

Golfers are spending **more time than a year ago** consuming golf content across all 1st Tier media—including all key golfer groups: Avids, Single Digit Golfers, and those with HHI $150K+

Golfers are **twice as likely** to be spending more time vs. less time with 1st Tier Media (Index 199)

1st Tier Media **outperforms** new media in the more time/less time aggregate Index (199 vs. 172)

# HIGH RATES OF DEVICE ADOPTION

- 3 in 4 own or use a smartphone on a regular basis
- More than 6 in 10 (62%) own or use a tablet on a regular basis
- Younger golfers and private club members are the most likely to own or use mobile devices

**Apple iPhone**

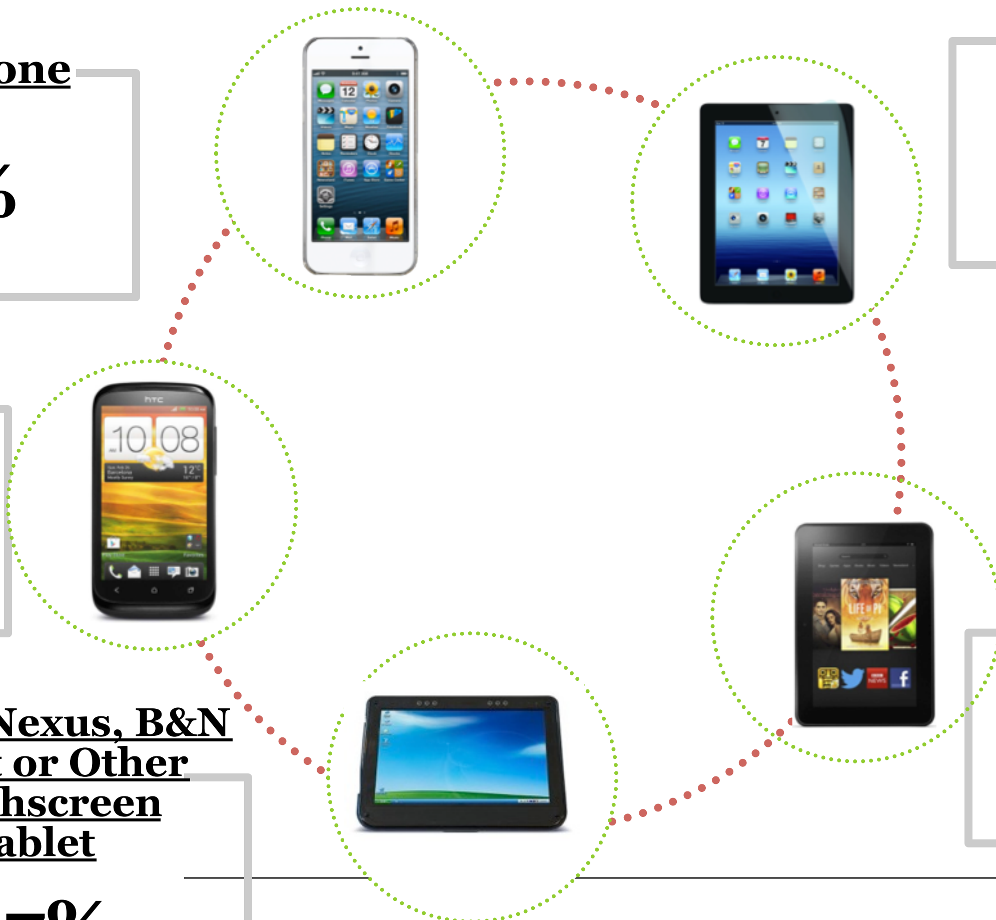
38%

**Apple iPad**

37%

**Android Phone**

40%



**Amazon Kindle Fire**

23%

**Google Nexus, B&N Tablet or Other Touchscreen Tablet**

27%

# DIFFERENT STROKES

# MAGAZINES DELIVER ON UNIQUE STRENGTHS

**MAGAZINES ARE #1 ACROSS ALL MEDIA IN** PROVIDING THE BEST INFORMATION ABOUT NEW GOLF EQUIPMENT.

*Magazines also excel in travel and instruction-related content.*

| TOP CONTENT AREAS | TOP PERFORMING GROUPS |
|---|---|
| *Provides the best information about new golf equipment.* | **Affluent** Golfers (HHI$150K+)<br>**Avid** Golfers |
| *Provides the best information about golf vacations or travel.* | **Affluent** Golfers (HHI$150K+)<br>**Avid** Golfers |
| *Provides the best golf instruction.* | **Avid** Golfers |

# Internet Sites Deliver on Unique Strengths

**The Internet excels** in course details, travel and actionable golf content.

| Top Content Areas | Top Performing Groups |
|---|---|
| *Provides the best information about golf courses I can play.* | **Younger** Golfers (<50) |
| *Provides the best information about golf vacations or travel.* | **Avid** Golfers |
| *Provides the most actionable information about golf.* | **Younger** Golfers (<50) |

# TV Delivers on Unique Strengths

**Television outperforms in entertainment, news coverage, and golf inspiration.**

| Top Content Areas | Top Performing Groups |
|---|---|
| *Entertains me.* | **Older** Golfers (50+)<br>**Casual** Golfers |
| *Provides the best news coverage and analysis of golf tournaments.* | **Older** Golfers (50+)<br>**Casual** Golfers |
| *Makes me want to play more golf.* | **Casual** Golfers<br>**Non-Private** Club Members |


# Cross Platform Advertising Benefits

**Magazines and Internet work together** and deliver compounded ad effectiveness.

They excel in similar attributes such as *containing the most information that can't be found elsewhere* and *being the most informative.*

**Q:** *Thinking for a moment about golf-specific advertising on various media, which of the following types of advertising do you find to be:*

## Magazines

- **Least intrusive**
- **Containing the most information that can't be found elsewhere**
- **Most informative**
- **Most credible**
- **Most trustworthy**

## Internet

- **Containing the most information that can't be found elsewhere**
- **Most informative**
- **Most useful**

# Magazines Outperform in the Golf Vertical

## Golf Media Usage Overall vs. Media Usage in All Sports:

## Magazines Rank Higher

*Magazines and email both rank 2 spots higher for golf content as compared to All Sports in general.*

*Media sources used to follow **THESE SPORTS**, over the past six months:*


| Ranking | Golf | Δ vs. All Sports | All Sports |
|---|---|---|---|
| 1st | TV | +2 | TV |
| 2nd | **Magazines** | | Computer Internet Sites |
| 3rd | Computer Internet Sites | | Newspapers |
| 4th | Newspapers | +2 | **Magazines** |
| 5th | **Email** | | Radio |
| 6th | Mobile Smartphone Apps | | Mobile Smartphone Apps |
| 7th | Social Media | | **Email** |
| 8th | Mobile Internet Sites | | Social Media |
| 9th | Radio | | Mobile Internet Sites |
| 10th | Mobile Tablet Apps | | Mobile Tablet Apps |

# TELEVISION: THE DVR EFFECT

## Golfers Watch 25% of Golf TV Content Via DVR and Skip Over Half of Ads—Resulting in Net Inefficiencies of Around 15%

| | % Time Watching Recorded Telecast | % Advertising Skipped Over | Net Avoidance |
|---|---|---|---|
| Total Golfers | 24% | 58% | 14% |
| Avid golfers under 50 | 30% | 52% | 16% |
| Private Club members | 36% | 51% | 19% |
| HHI $150K+ | 28% | 55% | 15% |

**Golfers Are 63% More Likely to Multi-Task When Watching Golf on TV vs. When Reading Golf Magazines**

# SUMMARY

## MORE IS MORE.

**New Media consumption is not coming at the expense of 1st Tier Media; Golfers are consuming more across all channels**

## UNIQUE BENEFITS.

**Although they consume more across all channels, golfers recognize that each form of media brings unique benefits**

## ENGAGEMENT.

**Print golf media shows particular strength in delivering content in a uniquely undistracted environment**

## DIFFERENT STROKES.

**Golfer prioritization of media differs from that observed for other sports verticals; with a unique synergy between online and print media.**

# The Year Ahead

- **Golfer Perspectives on Retail, The Sport and The Economy:**

# Two Minute Take-Aways

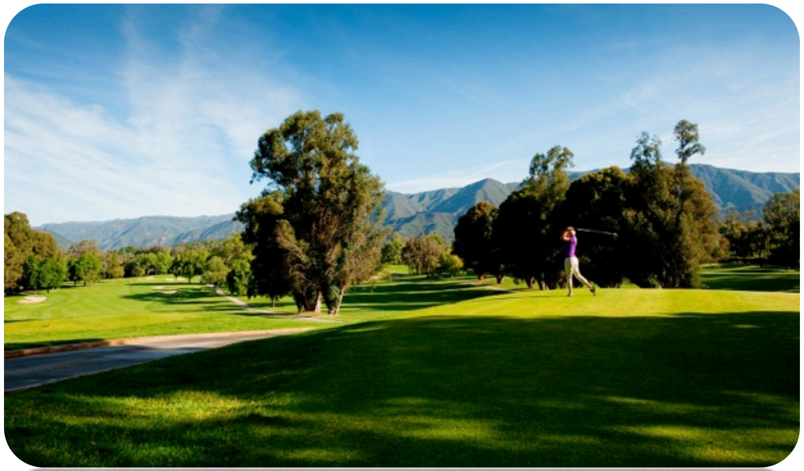
- **The TOURs Resonate:** Interest and popularity show growth, strength, and lack of saturation
- **Golf Related Participation–More of the Same:** Flat is the new up, as participation intent continues to be bullish. Participation growth concerns are more pronounced.
- **Slight Dip in Anticipated Spending Suggests Continued Market Share Battles:** Less golfers expect to buy, but those who will, expect to spend more.
- **When does product innovation hit the wall?** Slightly lower buy-in regarding new product innovation. However, product trial trends and a purchase process that remains more complicated, suggest active OEM participation in that process.

# Two Minute Take-Aways

- **Finally—Golfer optimism about the overall economy and their own future prospects, align:** Golfers demonstrate five year highs in consumer confidence
- **Private Clubs—An end to the negativity, but still work to be done:** Net membership gains driven by focus on younger members and families, as discounting subsides. Women remain a relatively untapped opportunity
- **Are we getting comfortable with Life's Frenetic Pace?** Golfers still largely acknowledge a society of continuous updates, but their capacity to deal with the barrage seems to be improving their outlook.

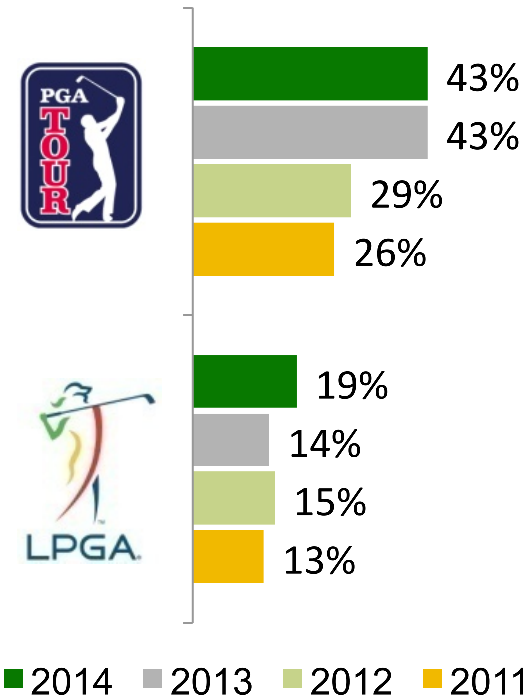
# Background, Objectives and Methodology

- Winter 2014 SLRG Sports Omnibus
  - Assess the attitudes and perceptions of golfers
- Initiated by Sports and Leisure Research Group in 2009
- 2014 online survey of over 1,200 golfer respondents
  - Fielded January 3-7, 2014
  - All golfers played a minimum of twice per month in season during 2013

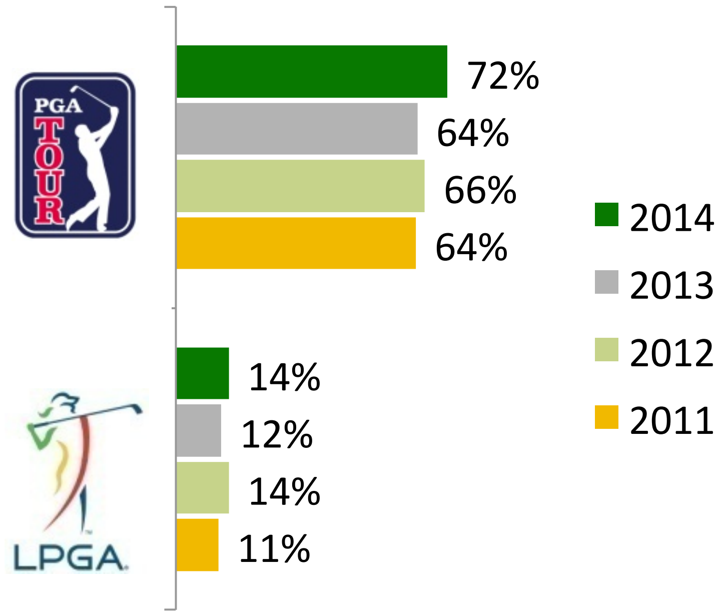


# Tour Popularity and Fans: Positive Movement Across Tours

## More Popular




## I Watch and Follow Closely

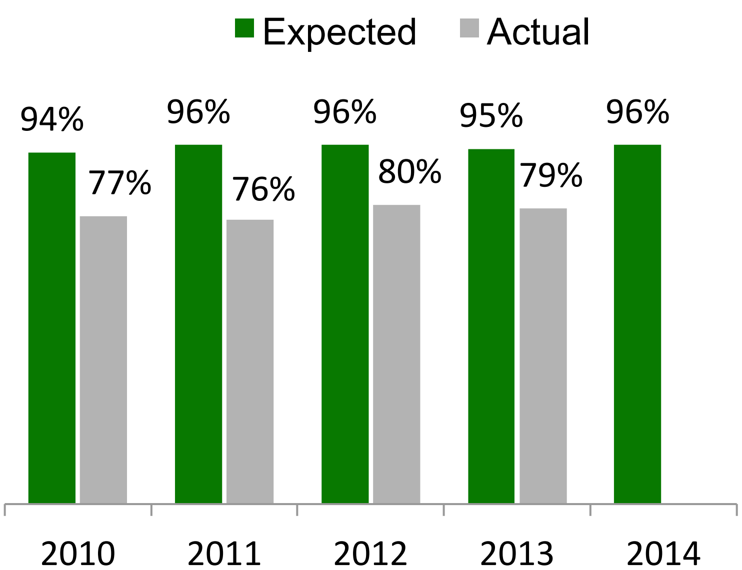



Private Club Members, Mid Westerners, better players out index golfers at large

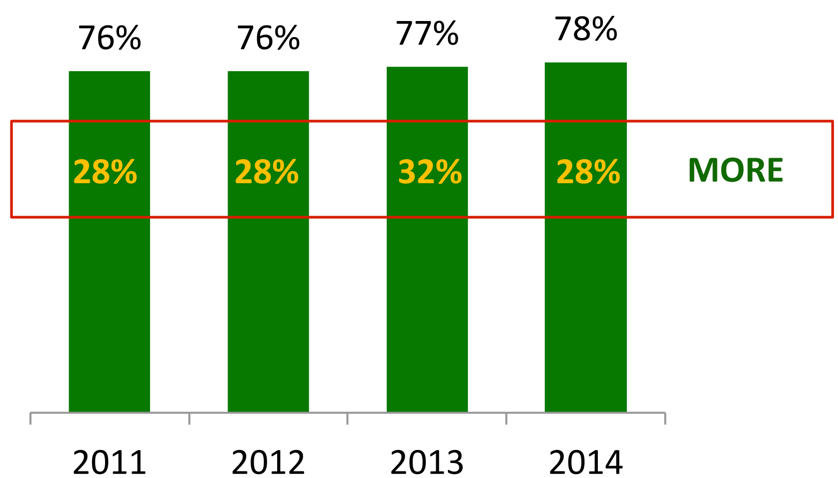
# Participation/Spending Trends: More of the Same?

- Golfer bullishness regarding intended participation increases in 2014 is flat to slightly off

### Do you expect to/Did you actually play the same amount or more in…?

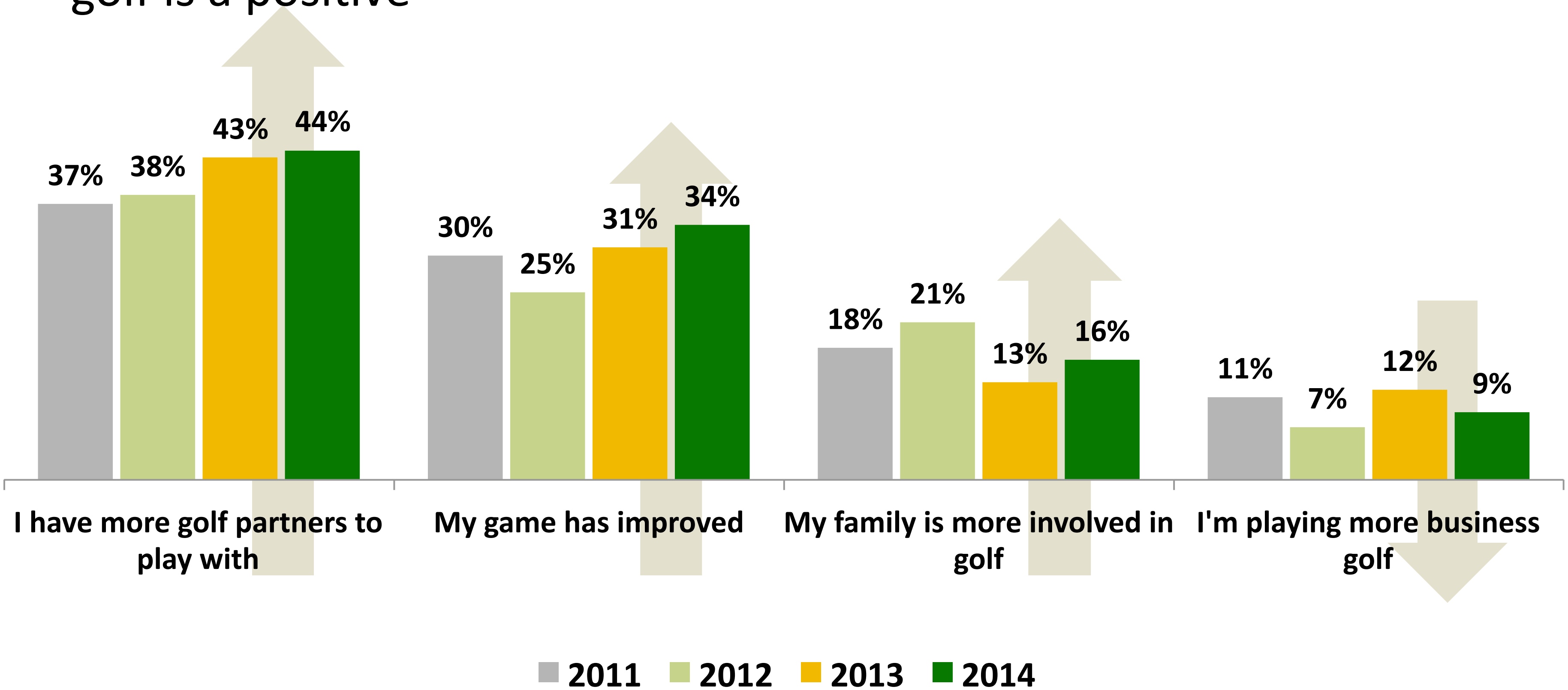



### Do you expect to spend the same amount or more next year?



# Why Golfers Are Playing More

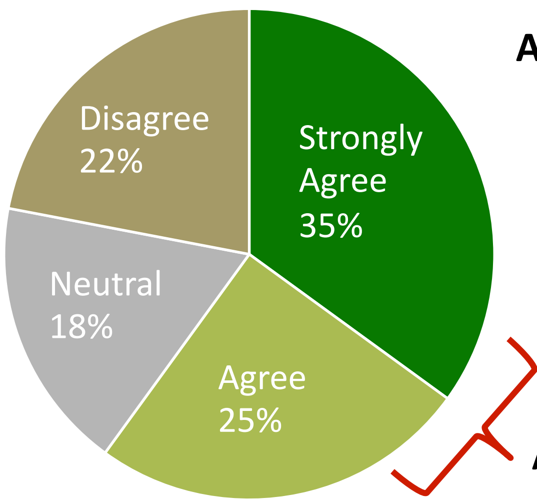
- Its about people and game improvement: Needed uptick in family golf is a positive



# Sharp Drop in Confidence Regarding Participation Growth

- After 2013's Positive  Spike, Golfer concerns exceed 2012 levels of 67% agreement

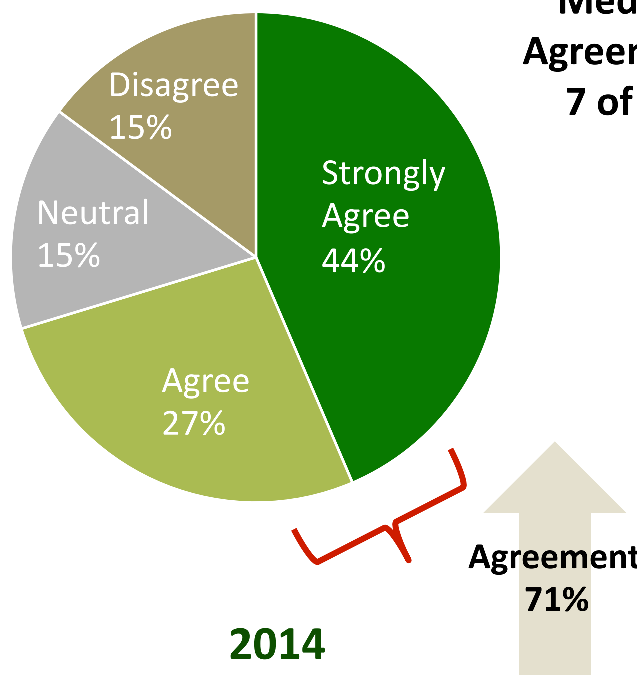
**Agreement with statement: "The game of golf is facing major challenges in regards to growing overall participation"**




**Median Agreement: 6 of 10**

**Agreement: 60%**

**2013**




**Median Agreement: 7 of 10**

**2014**

# Perceptions On New Equipment Purchasing

➢ Slight drop in perceived equipment innovation accompanied by uptick in buyer confusion as proliferation of new product introductions continues

| AGREEMENT WITH FOLLOWING STATEMENTS: | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| | Top 3 Box | Top 3 Box | Top 3 Box | Top 3 Box |
| New golf equipment continues to become more technologically innovative every year | 56% | 52% | 59% | 54% |
| Buying new golf equipment has become a more complicated process in recent years | 38% | 36% | 35% | 37% |
| Buying the right new golf equipment can help me to immediately improve my game | 30% | 25% | 29% | 27% |
| I've found one brand of golf equipment that I plan to stick with, when I make my next purchase | 24% | 24% | 26% | 24% |
| I won't buy new golf equipment without trying it out first on the golf course | NA | 23% | 22% | 24% |

# Golf Purchasing Trends

- **2014** is shaping up to see **continued battles for market share** as expectations for purchasing golf equipment is **flat to down** in **most categories.**
- However, **those looking to buy expect to spend at meaningfully higher per cap levels** in seven of eleven categories
- While **less golfers look to purchase irons and putters** in 2014, **those who will** expect to **spend nearly 9% more** on each category.
- This indicates a c**ontinuation of the observed increase** in 2013 vs. 2012 **per cap price** achievement observed in six of the eleven measured categories
- **Golf balls** and **golf shoes** are showing **particular strength**

# Key Year-Over-Year Trends

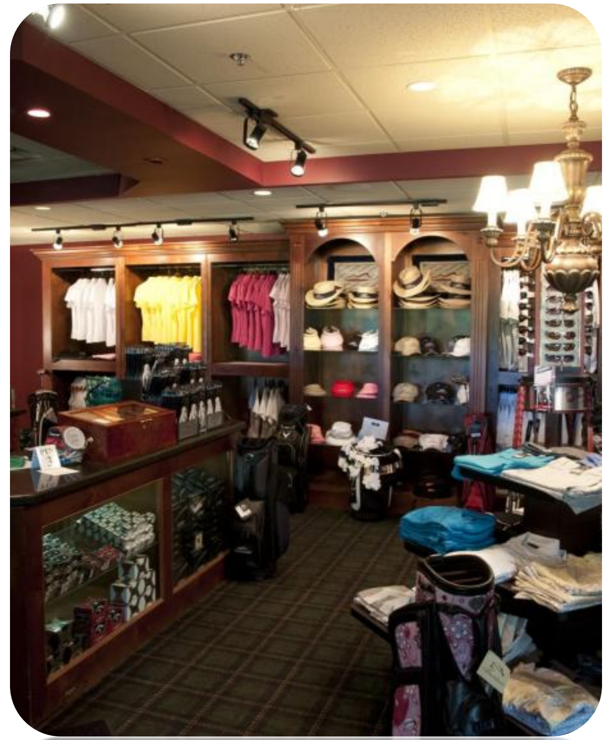
## Category Purchasing:

**2013 vs. 2012 Meaningful Increases in % Purchasing**

- Golf Shoes
- Replacement grips

**2014 vs. 2013 Meaningful Purchase Expectation Decreases**

- Irons
- Putters



# Key Year-Over-Year Trends

## Per Cap Price Achievement:

**Reported 2013 Per Cap Dollars Spent Higher than Expected 2013 Spending**

- Golf Shoes
- Putters
- Wedges

**Reported 2013 Per Cap Price Achievement Increases Over YAG**

- Golf Balls (+11.7%)
- Golf Bags (+8.3%)
- Irons (+7.1%)
- Golf Shoes (+5.0%)
- Drivers (+3.8%)
- Wedges (+3.6%)

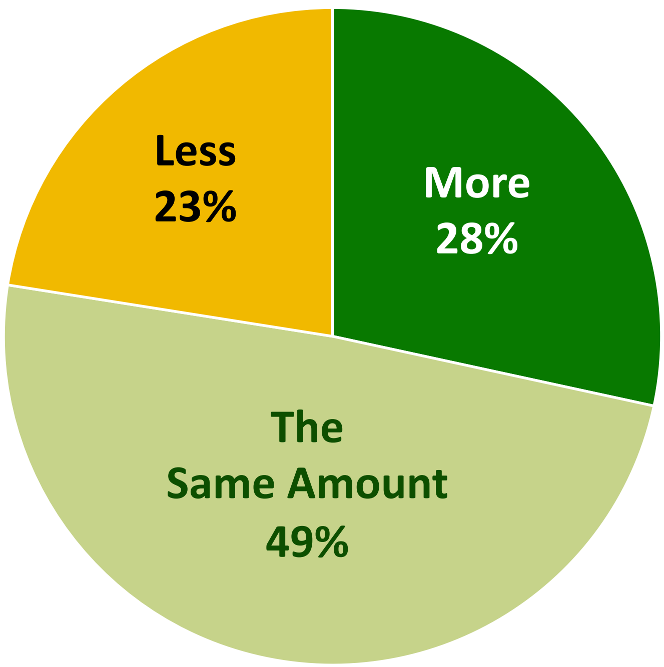
**Expected 2014 Year-Over-Year Per Cap Spending Increases in Seven of 11 Measured Categories**

Up >5%:
- Wedges
- Putters
- Irons
- Hybrids

Up 4-5%:
- Fairway Metals
- Golf Shoes
- Golf Balls

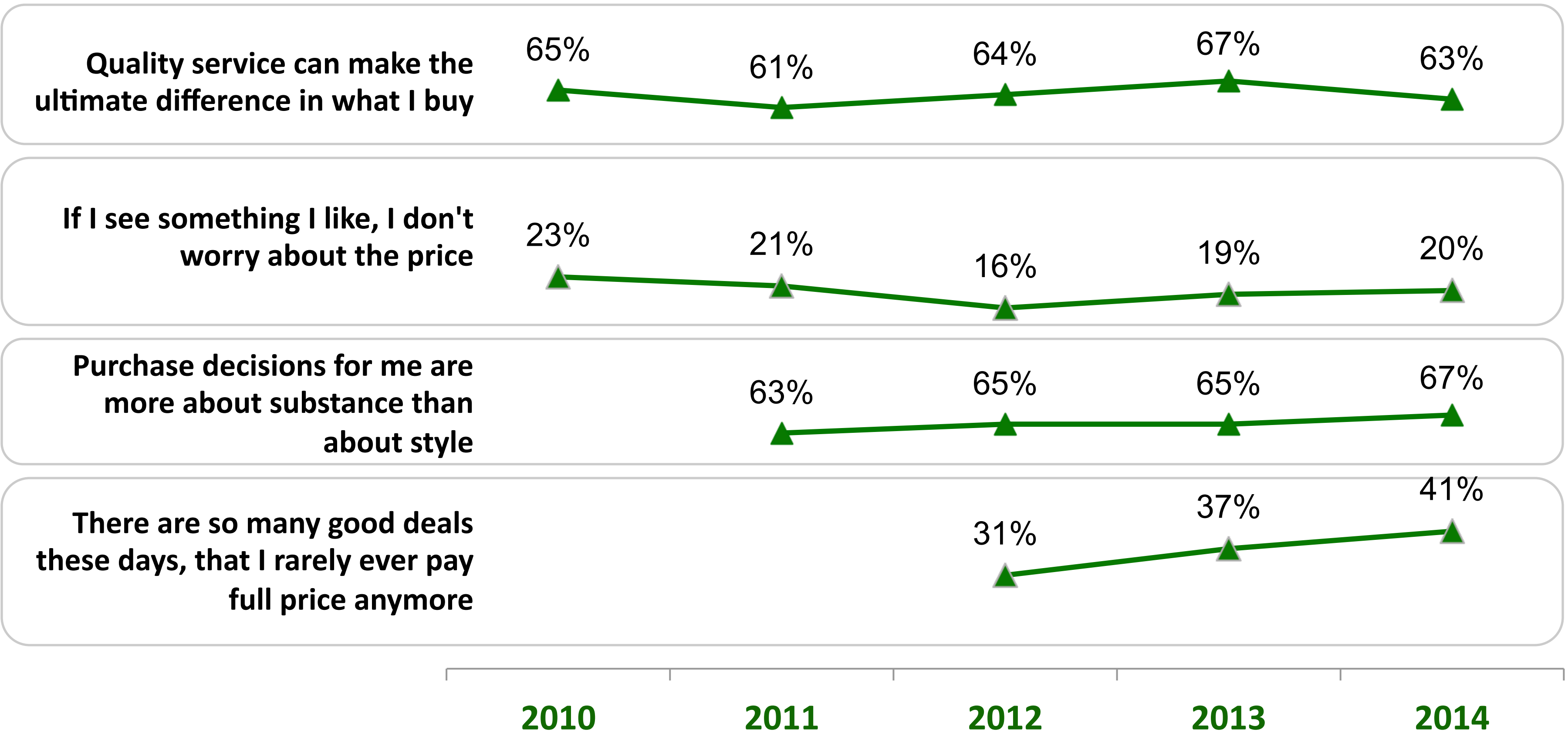
# Overall Spending Expectations on Golf Equipment Are Flat

**Q** **Overall, compared to 2013 do you expect that your 2014 total golf related spending for equipment and apparel will be…?**



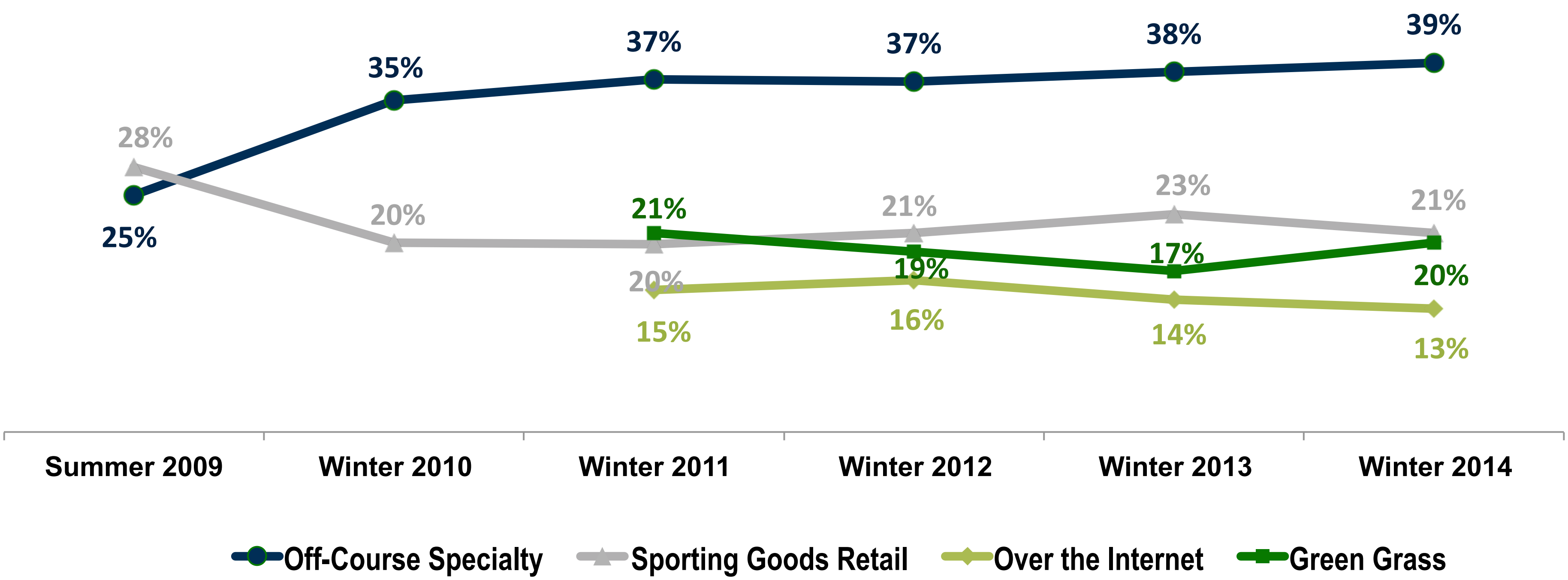

# Retail Decisions Still About Value, Though Value Perceptions Abound

**TOP 3 BOX AGREEMENT**



# Golf Retail Preference: "Concrete" Strong; Green Grass Rebounds

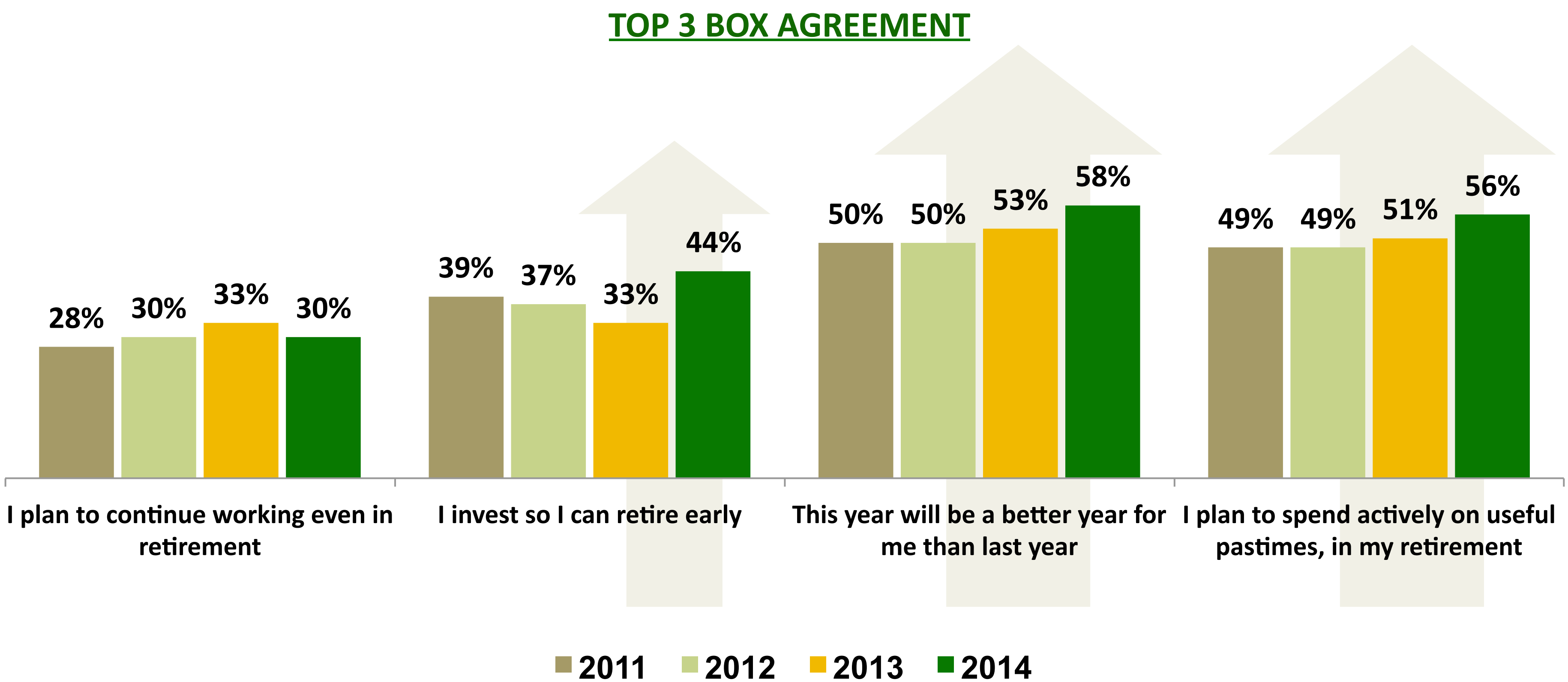
**Q** *Where are you most likely to make your next golf equipment purchase?*




► Online purchases significantly more likely for golfers under age 35 (18%); Green grass remains a mainstay for private club golfers (58%); Mainline Sporting goods has resonance for less affluent and NorthEast golfers

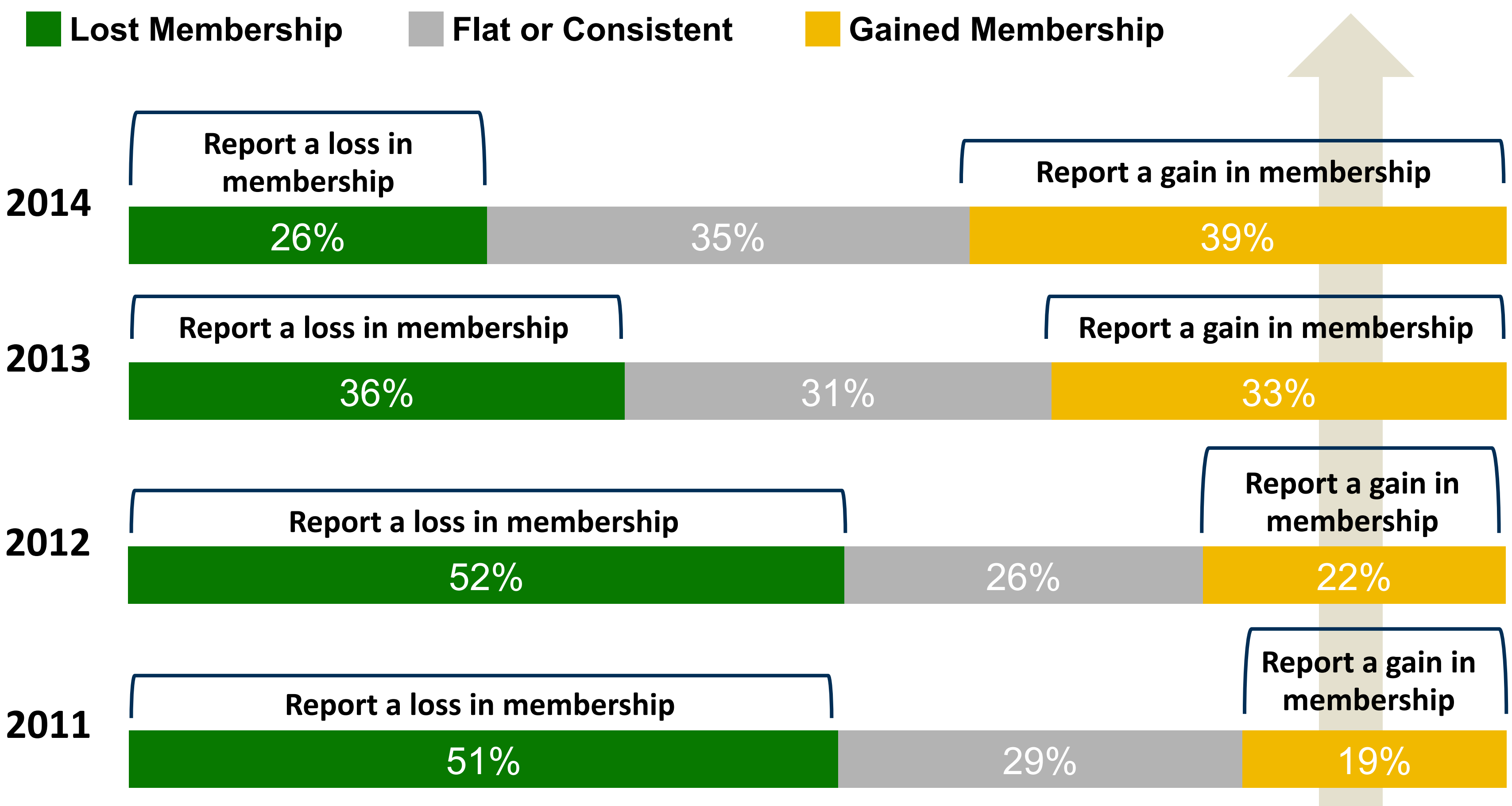
# …Golfers' Outlook is on the Rise

➢ Five Year Highs in Short and Long Term Optimism



# Private Club Member Retention vs. Attrition: Return to Positive Turf

## MEMBERSHIP LEVELS OVER THE PAST 3 YEARS

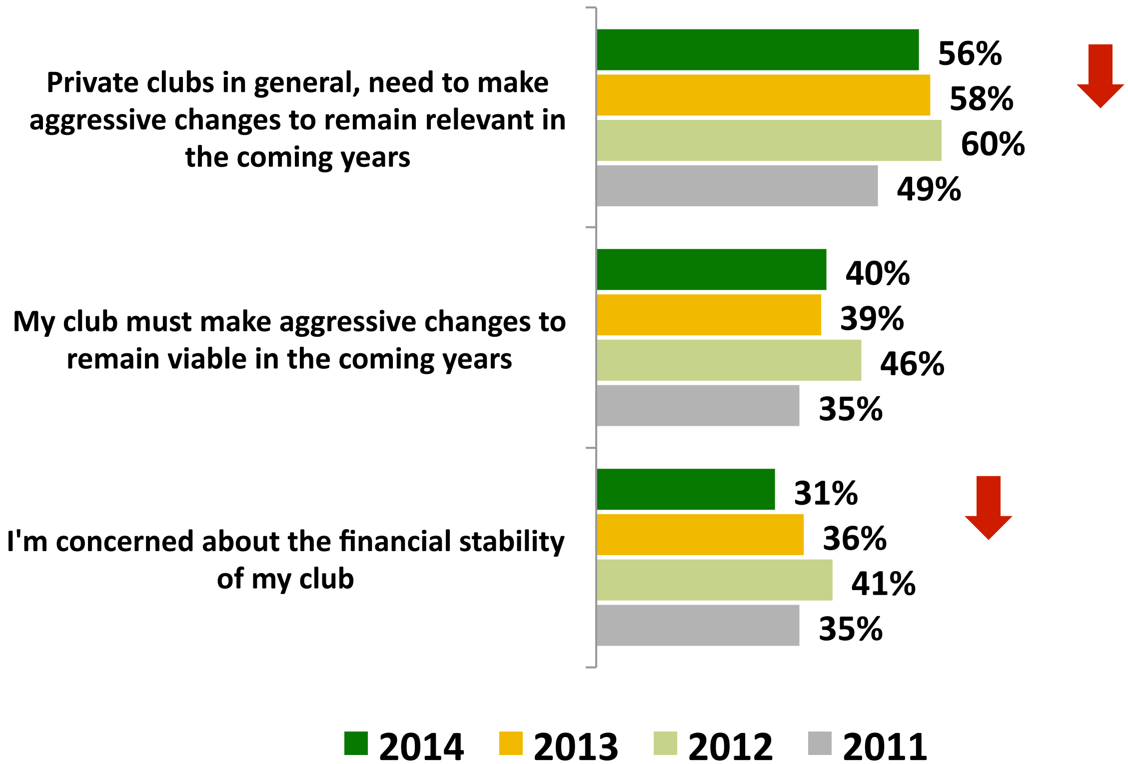


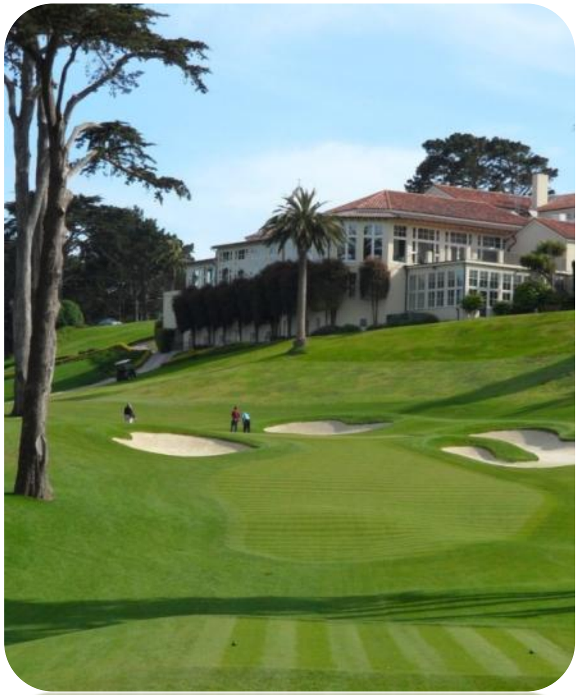

*Base: National Sample of Private Club Members*

# The State of Private Clubs: Distancing the Depths

- The worst appears behind us

**TOP 3 BOX AGREEMENT**



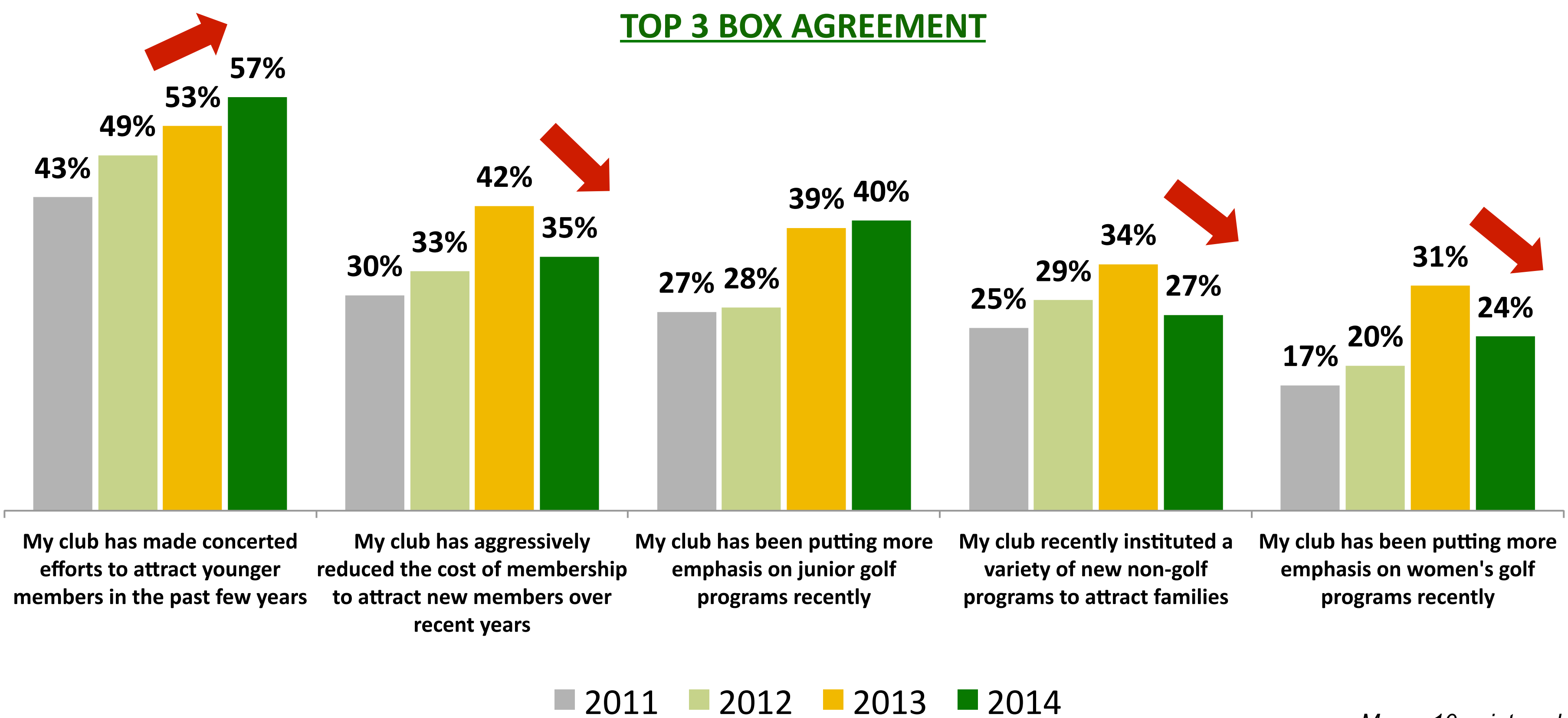



*Mean: 10 point scale*

*Base: National Sample of Private Club Members*

# Private Clubs: Heeding the Call to Attract Younger Members

- Welcome emphasis on juniors, family, stems the tide towards discounting.....But are Women Still A Second Thought?




*Mean: 10 point scale*

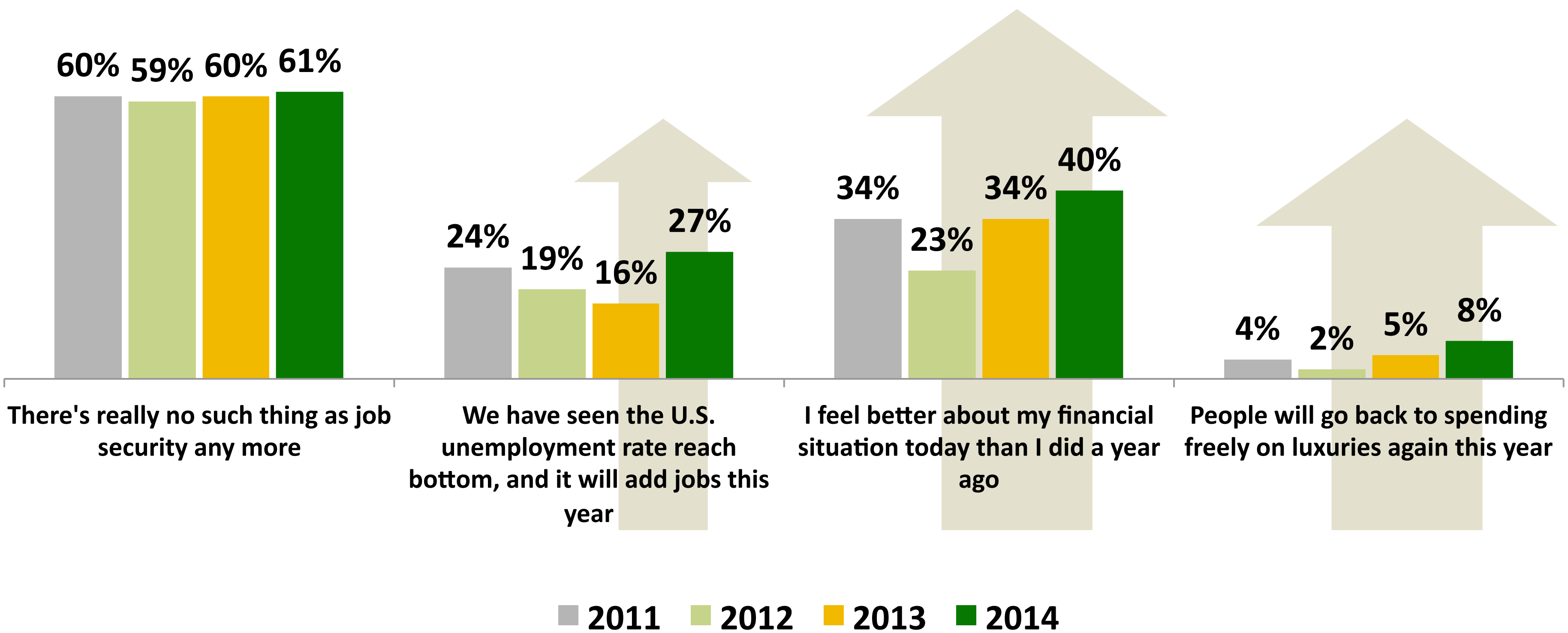
*Base: National Sample of Private Club Members*

# Golfers' Overall Economic Outlook…Finally, a Positive Reversal

- …Perspectives on Employment are Particularly Impressive

**TOP 3 BOX AGREEMENT**

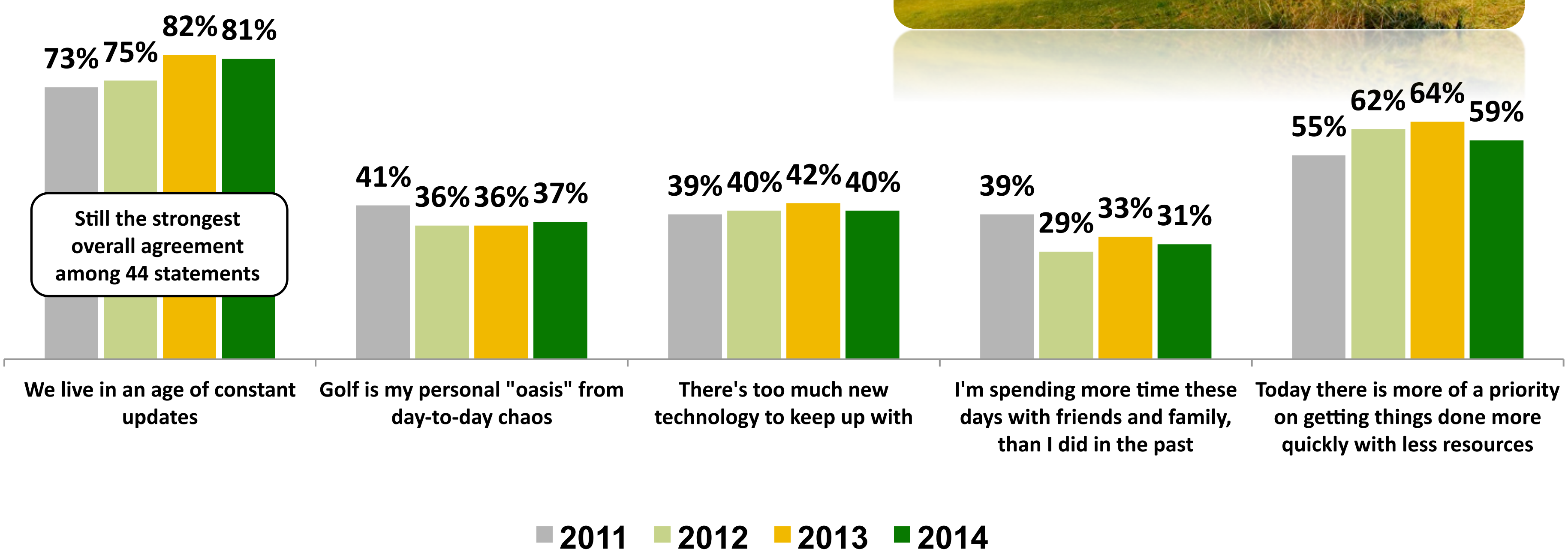
**The % of golfers who strongly believe that the US will fully avoid recession in 2014 doubles from 2013**



# Could Life's Pace be Normalizing?

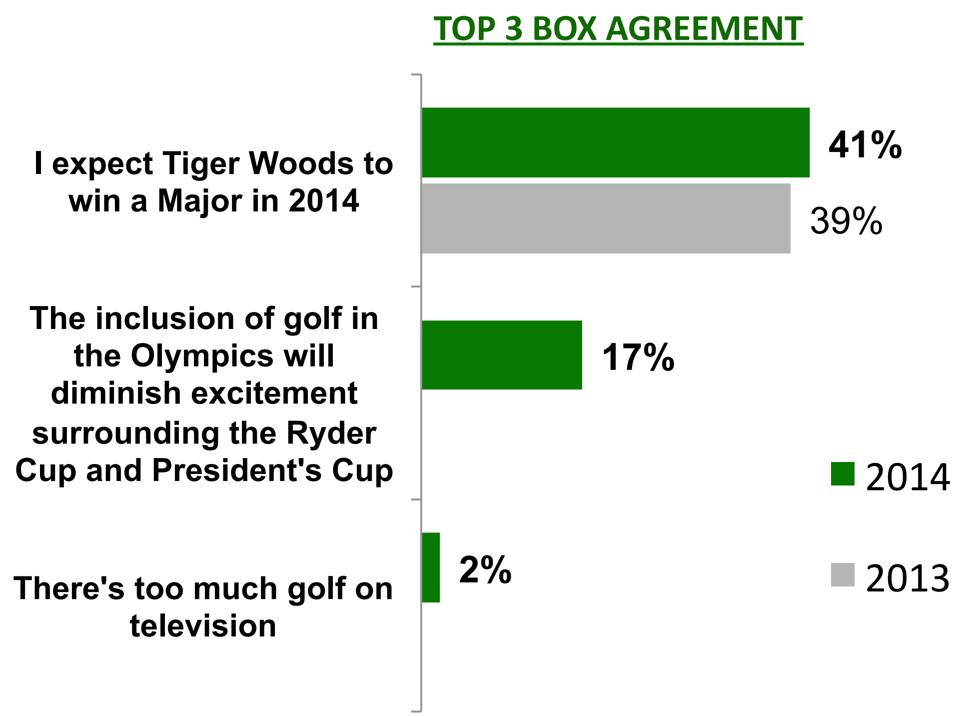
➢ Golf remains an "oasis" for many

**TOP 3 BOX AGREEMENT**



# The Year Ahead on TOUR

- Olympic Golf not a threat to Ryder Cup/Presidents Cup
- Golfer Appetite for TOUR telecasts is Insatiable
- Four in Ten Continue to Believe that Tiger will win another Major in 2014

# Final Thoughts

**The Market:**

- **The Equipment Market: Less Differentiation, More Choices, Tougher Decisions:** 2014 may be a more competitive marketplace, but the rewards may also be greater for those who can break through the clutter.

- **An End to the Malaise:** Upticks in consumer sentiment and perspectives on the macro-economy may enable golf facilities to take a more inward look.

**Media Consumption:**

- **Golfers and Media: More Is More:** New Media consumption is not coming at the expense of 1st Tier Media; Golfers are consuming more across all channels.

- **Golf Media—Unique Benefits:** Although they consume more across all channels, golfers recognize that each form of media brings unique benefits.