



MILLENNIALS: Insights from the Market Everyone
is Struggling to Capture

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Prepared by:

**SPORTS &
LEISURE**
RESEARCH GROUP

A Variety of
Perspectives



Jon Last

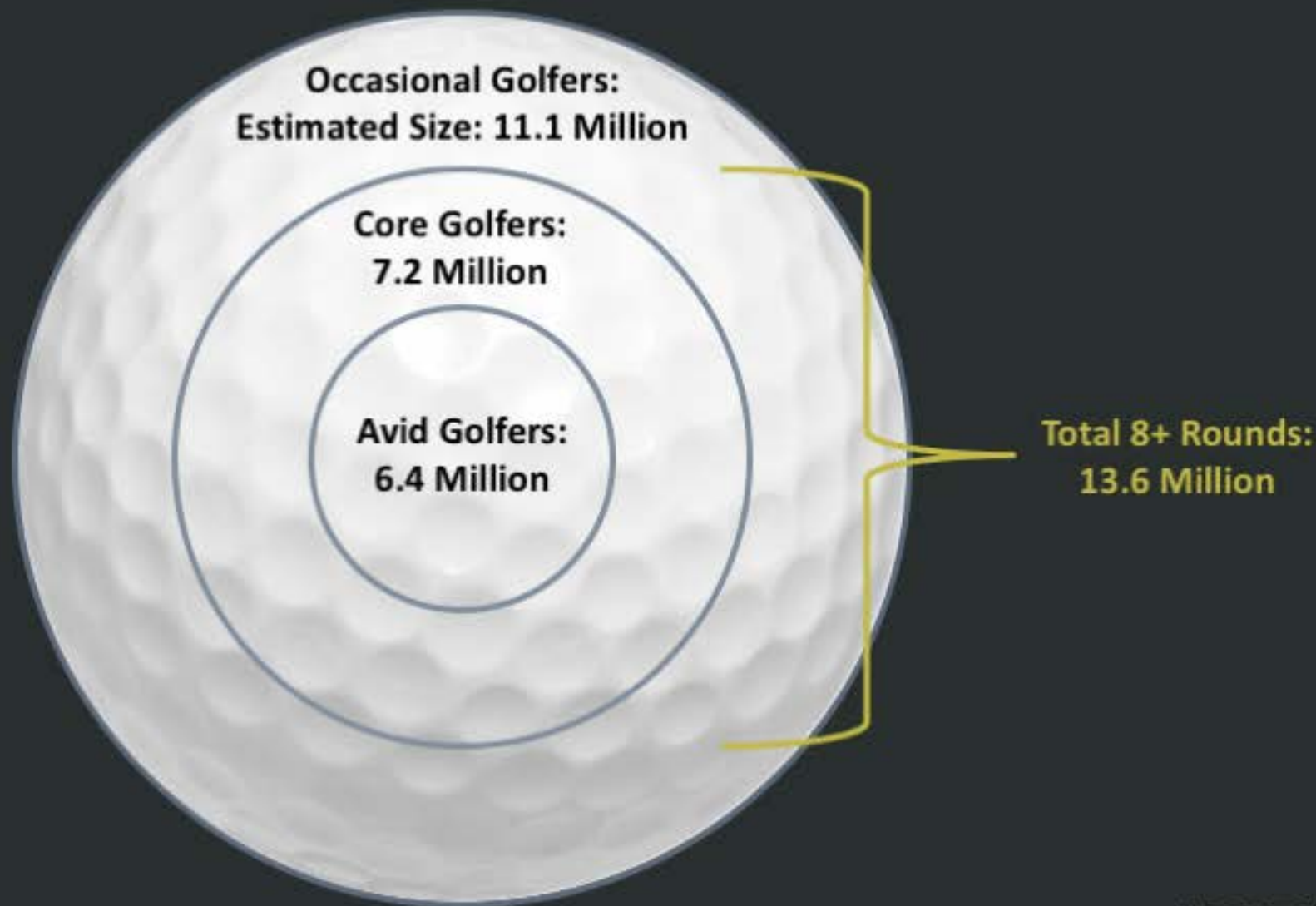


Manuel Biota



Dale Merritt

Golf's Best Customers: Avid and Core Players, Historically Defined Strictly by Avidity

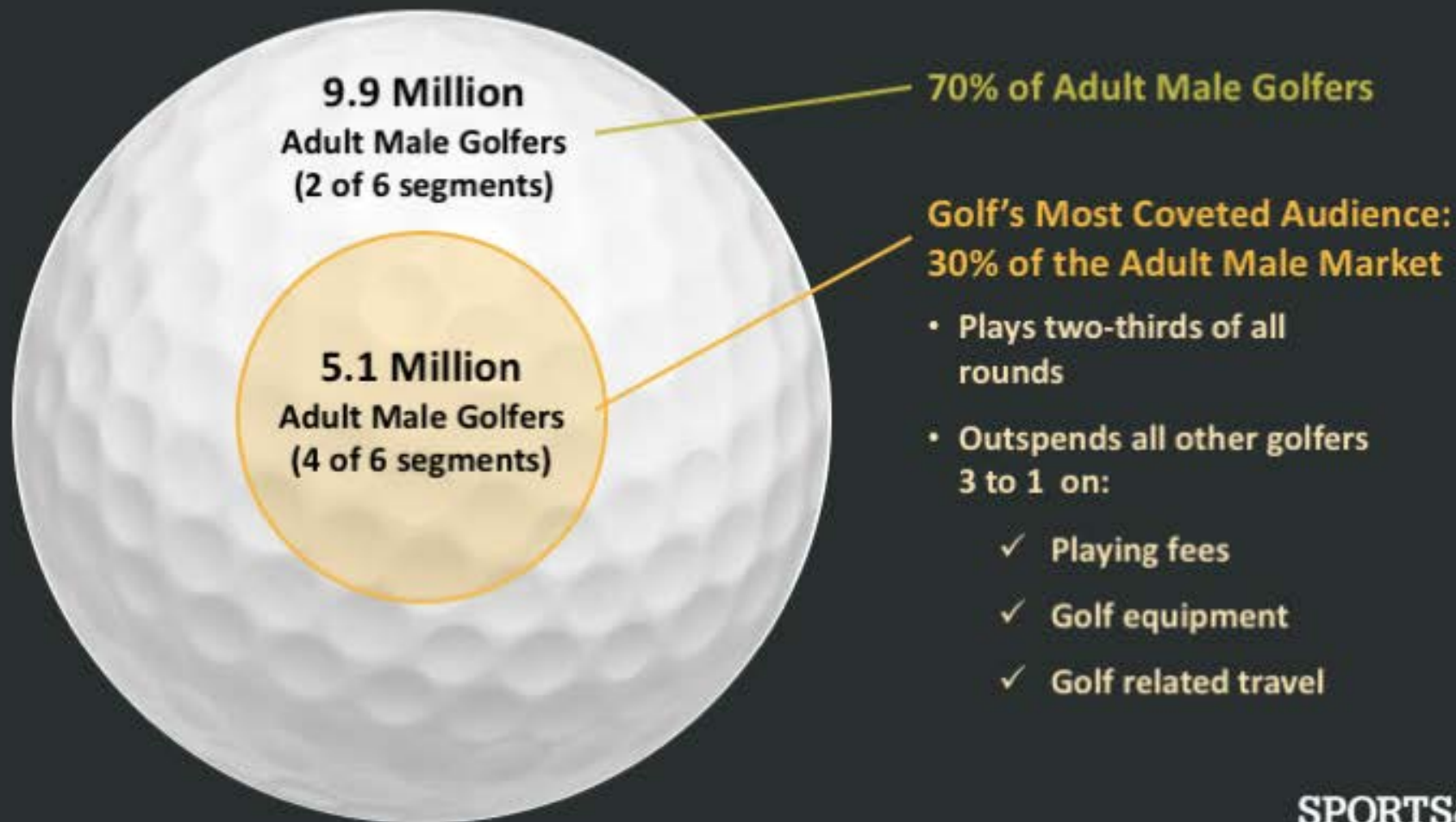


Note: Includes women and juniors.

Source National Golf Foundation, Golf Participation in the U.S. 2014

Behavioral
Segmentation: A
New Way to
Identify the Golfers
of Greatest Value
to the Industry,
Today

Driven by Commitment, Spending Levels and Avidity



...and Our Six Behavioral Segments Define a Re-Prioritization of the Market

Golf's Most Coveted Audience:

Estimated Market Size: 5,125,000 men



PRIVATE ELITE:

Meet Brett. He's a **member of an upper echelon club**, plays often and significantly **outspends all golfers** on a per capita basis. His affluence allows him to spend on quality. *Estimated Market Size: 550,000 men*



EQUIPMENT JUNKIE:

Clint is an avid golfer and **equipment savvy**, he **spends the most** on new golf equipment. He's also the **most passionate** about the game and its **core values**. *Estimated Market Size: 1,100,000 men*



GENERATION NEXT:

Chris has **yet to hit 30** - but is **on the fast track** both in terms of his game and career. Although he's not quite an avid golfer, he **takes the game just as seriously** as other top segments - and wants an **authentic experience**. *Estimated Market Size: 475,000 men*



GOLF'S SWEET SPOT:

Glenn is **golf's workhorse**. He's a committed **core golfer** who loves the game and has made it a central part of his lifestyle. His **golf spending is sizable** but **less than other top groups**. *Estimated Market Size: 3,000,000 men*



THE PUBLIC PLAYER:

You'll find him playing regularly, but exclusively on America's daily fee and municipal courses. *Estimated Market Size: 3,300,000 men*



PRIORITY JUGGLER:

An occasional golfer who plays a few times per year, while balancing family, career and other higher priority leisure pursuits. *Estimated Market Size: 6,600,000 men*



GENERATION NEXT

He's a millennial who has made a commitment to golf. On an upward career trajectory, he appreciates golf's traditions and values as well as what it can do to advance his career and social network.

Chris is yet to hit age 30, but is on the **fast track**. Despite falling short of "avid" golfer status, he approaches the game seriously, **seeks an "authentic" golf experience, spends accordingly, and is hooked on the sport.**

Chris is increasing his play **and looks forward to even more golf** when he has the time. He's competitive and **focused on success.**

Having grown up in a digital world, **he seeks** an abundance of **golf content across multiple media platforms**, with a particular affinity for video, **while still valuing first tier media.**

He is...

Average Age	29
Retired	-
Professional/Executive	73%
Owner/Partner/C-Titles	24%
Average Annual Rounds	21
Average Handicap	16
Private Club Member	50%
Median HHI	\$87,000
Avg Spent on Last Driver	\$364

Key Attitudes About Golf

(Strong Agreement)



Median Planned Golf Equipment Spending Over the Next Twelve Months
\$400

INDEX*

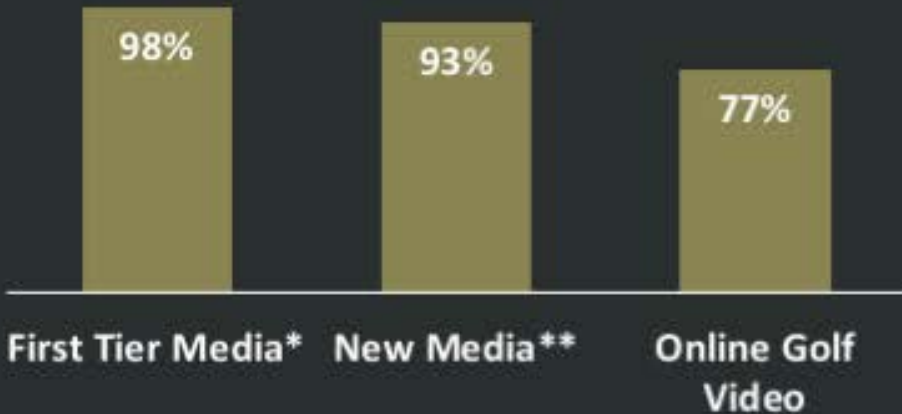
+Denotes INDEX vs Total Golf Market



GENERATION NEXT

He's a millennial who has made a commitment to golf. On an upward career trajectory, he appreciates golf's traditions and values as well as what it can do to advance his career and social network.

Golf Media Consumption Habits
Spent More or Same Time vs. YAG



*includes TV, magazines, and desktop/laptop computer
**includes smartphone, tablet and social media

Golf Content Priorities
(Highly Interested)

		Index ⁺
Tournament video highlights	64%	193
News/coverage of golf tournaments	64%	158
Tournament streaming video coverage	61%	223
Golf instruction	60%	189
Instructional video	59%	205

+Denotes INDEX vs Total Golf Market



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Generation Next in His Own Words

DEFINING GOLF-RELATED ATTITUDES

"That is what Golf is about, having fun with your friends within the etiquette of the game."

"A golf course should be a place without a bunch of idiots running around."

DEFINING GOLF MEDIA ATTITUDES

"I like learning about past players."

"I want to see the best courses that I can actually play."

DEFINING GOLF SPENDING ATTITUDES

"I trust the well-known brands and my experience."

"I rely on word of mouth, watching golf, magazines."



Golf's Generation Next OVER-Indexes a National Sample of Millennials

Not All
Millennials
Are Created
Equally

Making money is extremely important to me	✓	Index: 154
Mean HHI	✓	Index: 134
I feel that I will be more comfortable in my retirement than my parents are/were	✓	Index: 131
I'm confident that I will have enough money to retire in comfort	✓	Index: 126
I consider myself to be very health conscious and active	✓	Index: 125
Compared to my parents, I'm more self indulgent	✓	Index: 125
I'm willing to pay more for top quality brands	✓	Index: 123

...And it Makes Sense Given Population Trends and Generational Values

Boomers and Millennials Aren't as Different as Some Might Lead You to Believe!



AS YOUNG ADULTS

Boomers

Individualistic self expression through civil disobedience

"Don't work for 'the man'"

The power of community

Millennials

Individualistic self expression through social media sharing and citizen journalism

Frustration with "under-employment", "I should be running the company by the time I'm 35"

The power of community

LATER IN LIFE

Boomers

Self actualization through collection of experiences and a redefinition of retirement

Golf as a manifestation of community

Millennials

Similar generational values=???

2015 SLRG/SIGG Research identifies Next Generation

...Have
Millennials
Really
Rejected
Golf?

- Parallels of the Me Generation and the Look at Me Generation
- Six in 10 golfers disagree that younger adults are less interested in playing golf today than they were a generation ago
 - Only 17% of those under age 45 feel that younger adults are less interested in playing the game
 - Lifestage Realities

Addressing the
Need to
Attract More
20-Somethings
to Golf



PLAY GOLF
day or night at the
Disneyland Hotel Golf Centre

9 holes, par 3 course
clubs available for rent

For Reservations, Dial 129

50 Tee Driving Range
Clubs Furnished

18 Hole Miniature Golf Course
patterned after Disneyland

...At Disneyland in the 1970's



Golfers Offer Thoughts on Various “Derivatives” or “Entry Ramps”

PROMISING

- More than half of golfers with handicaps above 20 have strong interest in nine hole rounds
- Value pricing—though perceptions of golf’s expense are less inhibiting than in the past
- Top Golf resonates across golfer segments
- Integration of the game into school physical education programs

LESS CONVINCING

- Only 4% show strong interest in foot golf or disc golf...and younger golfers aren’t significantly more favorable

- Entry Ramps -- Yes
- Goofy Golf and Trying Too Hard -- No

What About
Those
Millennials?



What About Those Millennials?

Key Observations from Younger Players—Age 30 and Under:



- Both men and women tend to be more fashion and image conscious than their older cohorts.
- They are more apt to engage in new media, particularly for purchase transactions.
- They perceive themselves to be more innovation seeking and self-indulgent.
- They appreciate the opportunities present in social and business golf.
- They are generally less apt to consider golf to be their favorite sport... Thus, they pose a potentially greater attrition risk

What About Those Millennials?

MALE GOLFERS < 30 Yrs. Golfing And Lifestyle Attitudes

Attitudinally, younger men are less passionate about golf, but more willing to spend on green fees, golf merchandise and lessons



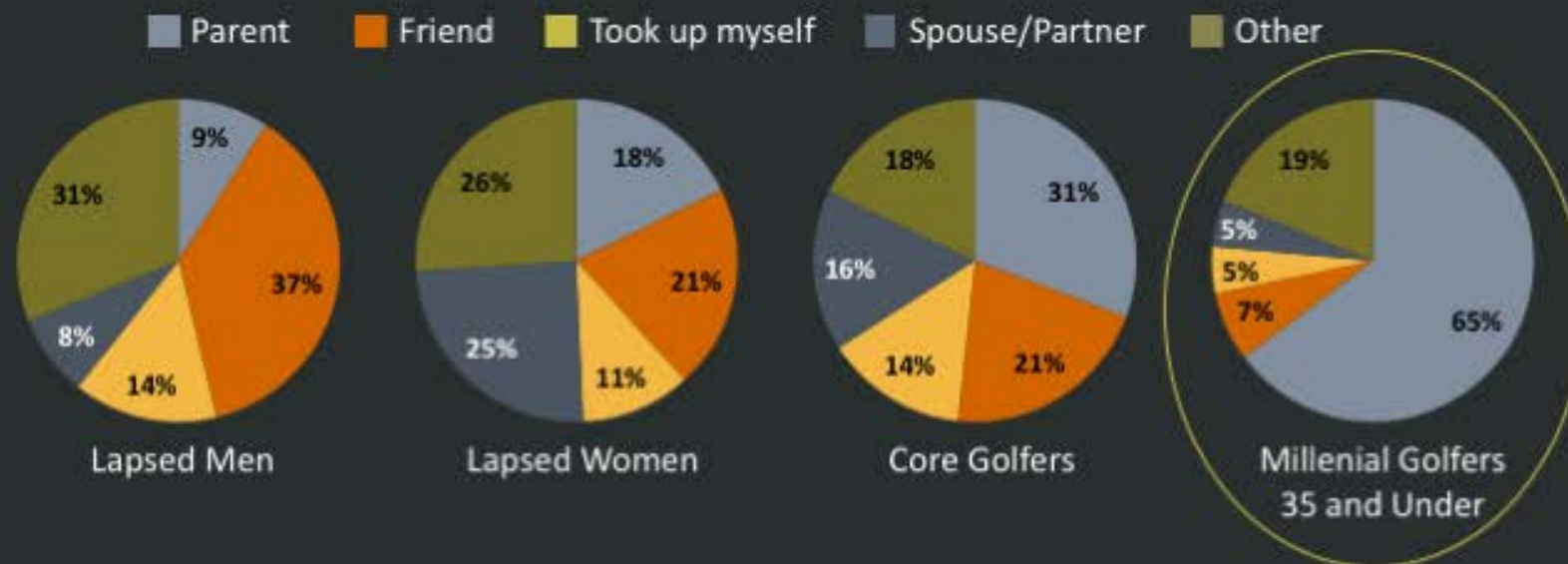
MORE LIKELY than Older Golfers to say...

- I usually play golf with members of my family
- I often order golf equipment through catalogs or online
- If I see something I like, I don't worry about the price
- It is important to me to wear fashionable golf apparel
- I'm usually the first among my friends to try new golf equipment
- Golf equipment and merchandise at golf course pro shops are competitively priced
- I will take at least one lesson from a PGA Professional this year

Connections with and Introductions to the Game: Parental Introduction Drives Sustainability

- Golf's core is significantly more likely to have been introduced to the game by parents, whereas lapsed men were most likely to have been introduced by a friend and lapsed women were most likely to be introduced by a spouse/partner
- Millennials who are playing the game, were also introduced by their parents. Few of the younger cohorts are taking the game up by themselves, which is/was not the case for older golfers

Q Who introduced you to the game of golf?



Source: SLRG-PGA of America Research

Introductory
Venues for
Golf Also Show
Variance
Across Cohorts

Q How were you introduced to the game of golf?

	Avid/Core Men	Avid/Core Women	Golfers <35
On a regulation golf facility	44.2%	28.4%	30.2%
At a range or practice facility	16.4%	17.3%	23.3%
On a par three or executive (short) course	11.9%	17.6%	23.3%
Through private golf lesson	6.7%	15.3%	9.3%
By watching on TV/online	9.2%	5.8%	18.6%
Through youth Program/Clinic	4.2%	5.4%	23.3%
Through a public/private school program	3.3%	7.0%	-
Other	25.8%	18.5%	25.7%

Huge Gaps in Time Tolerance Thresholds for a Round of Golf

Q From the moment you leave your home to the moment that you return home, what would be the ideal length of time that you'd like to spend participating in golf at a dedicated golf facility?



Online Tee Time Bookings and Ticket Purchases are Pervasive... Less So for Personalized Instruction

Q Have you ever done the following online or via a mobile app?

