2017 | The State of Tennis in the UK and Europe

The Business of Tennis Forum 2017 — 'Tennis Economics' Tuesday 04 April 2017 — The Queen's Club



THE ECONOMICS OF TENNIS RUNNING ORDER

EQUIPMENT AS A BAROMETER OF THE ECONOMY — SHIPMENT

THE STATE OF TENNIS — PARTICIPATION

- THE SILVER LININGS
 - OPPORTUNITIES TO GROW TENNIS AND ITS ECONOMY
 - PERCEPTIONS OF TENNIS

The Economy of Tennis – RACQUETS

EU volume in decline

UK volume in decline

ASP not keeping pace with RPI



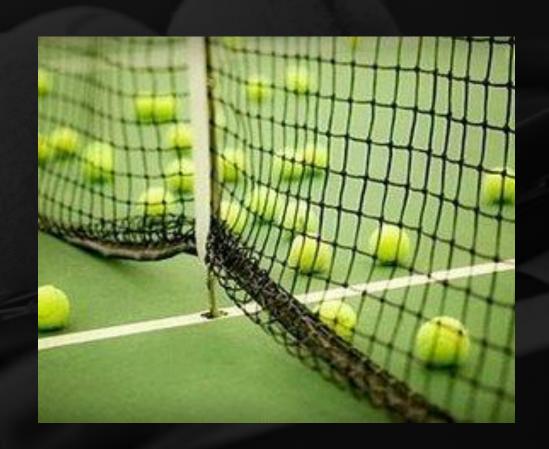
The Economy of Tennis – Balls

Long term rise in volume in UK

Long term rise in volume in EU

2016 decline vs 2015

UK ASP static EU ASP declining

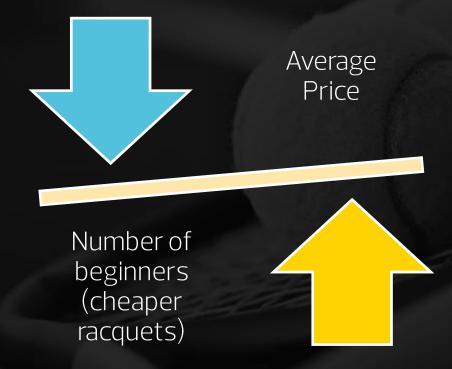


AVERAGE SALE PRICE – THE EXPLANATION?

- BRAND AND RETAILER COMPETITION?
- INCREASE IN 'LEISURE PLAY' AS A PROPORTION OF TENNIS PLAYED –
 WHO PURCHASE LESS FREQUENTLY?
- PROPORTIONAL INCREASE IN OLDER PLAYERS?
- A VICIOUS CIRCLE?
 - IF FRIENDS/ CLUB RIVALS ARE NOT PURCHASING THE LEADING BRAND RACQUETS
 - THERE IS LESS INCENTIVE FOR OTHER PLAYERS TO INVEST IN NEW TECHNOLOGY TO KEEP UP.

What does it mean

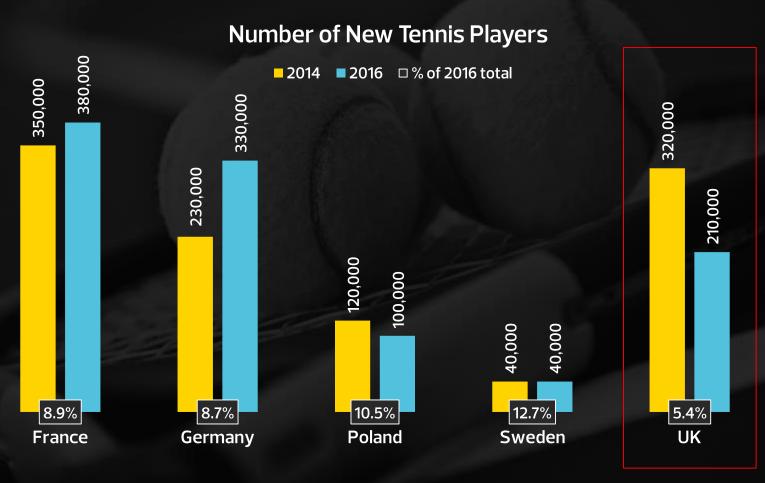
A traditional dynamic



EXCEPT....



Participation | New Players (<1 Year's play)



Source: ITF/SPORS MARKTING SURVEYS INC. Participation

The State of Tennis | Obstacles to Participation EUROPE

What are the biggest obstacles to tennis participation in your country?

Availability of Indoor Courts 77%

Popularity of other sports 54%

Cost of Court Hire 48%

Others:

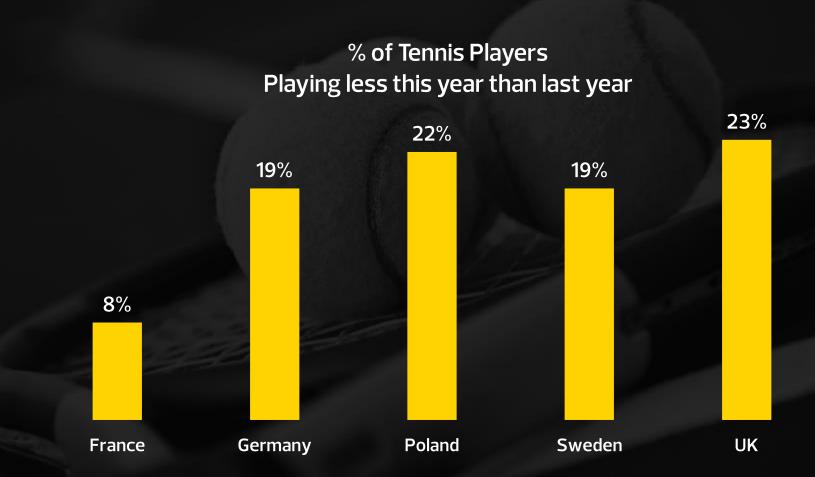
Cost of equipment 27%

Availability of public facilities 27%

Availability of courts in general 25%

Cost of club membership 21%

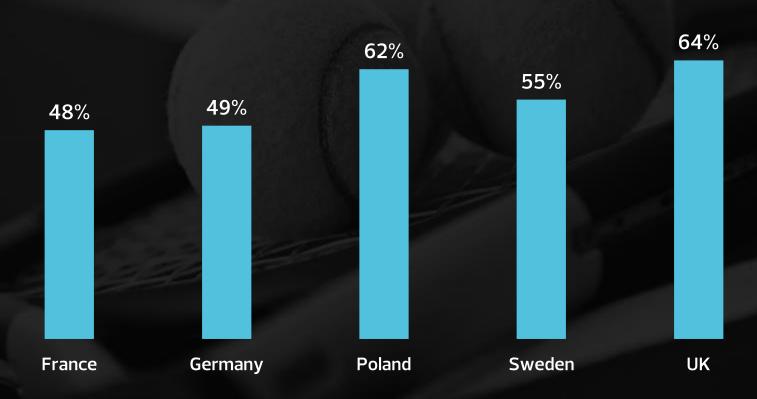
Participation | Adult Players Playing Less



Source: ITF/SPORTS MARKETING SURVEYS INC. Participation

Participation | Adult Players' Tennis Dropout





Source: ITF/SPORTS MARKETING SURVEYS INC. Participation

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Participation | Reasons to Play Less

We asked current tennis players who had played less this year than last year:

"Why have you played less tennis in the last 12 months?"

Increased Work Commitments 40%

I Prefer Other
Sports/Exercise
26%

Increased Family Commitments 26%

Participation | Reasons for Giving Up in EUROPE

We asked former tennis players who no longer played:

"Why did you stop playing?"

I prefer other sports/activities 30%

It's not fun any more 24%

Increased work commitments 24%

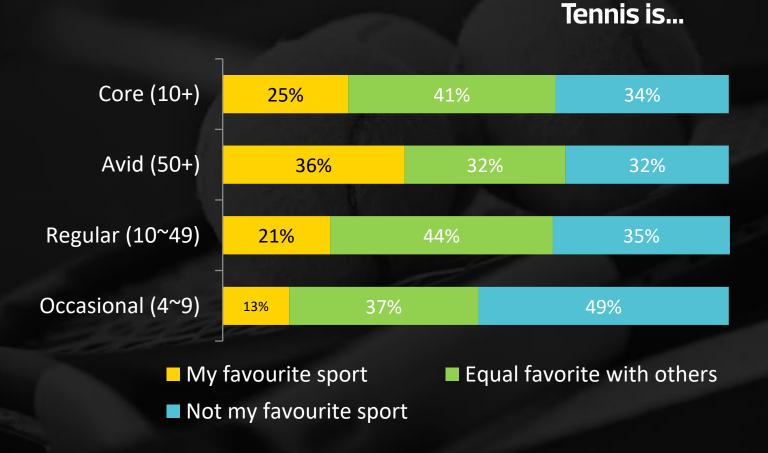
17% (POL 33%)

Left school/ college 8% (UK 22%)

Increased family commitments 20%

Source: ITF/SPORS MARKTING SURVEYS INC. Participation 2016

PLAYING ENVIRONMENTS AND COMMITMENT – UK



Source: ITF/SPORS MARKTING SURVEYS INC. Participation

KEY THINGS THAT CAN BE CONTROLLED

FUN

- Games
- Tournaments (at right level)
- Social evenings/chance to get to know other members
- Welcoming environment

COURTS AND CLUB AWARENESS

- Involvement in local communities
- Target school and university leavers
- Packages for multiple joiners





MAKING TENNIS A BIGGER PART OF LIFESTYLE

- Playing More
- Watching More
- Spending more time socialising at Club
- Introducing more people to the game
- Improving as well as just playing socially



THE HEALTH OF TENNIS



Don't despair, not even over the fact that you don't despair.

(Franz Kafka)

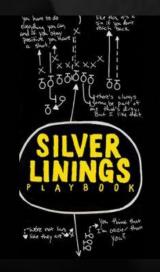
IT'S NOT ALL



THE SILVER LININGS

- LONG TERM INCREASE IN SALES OF BALLS ~ CORE PLAYER ENGAGEMENT & PLAY FREQUENCY
- GROWING CASE FOR TENNIS AS A SPORT FOR HEALTH/FITNESS IN AN AGEING POPULATION.
- SOME EXCELLENT PARTICIPATION INITIATIVES
- TENNIS AS A SPORT FOR ALL AGES AND GENDERS



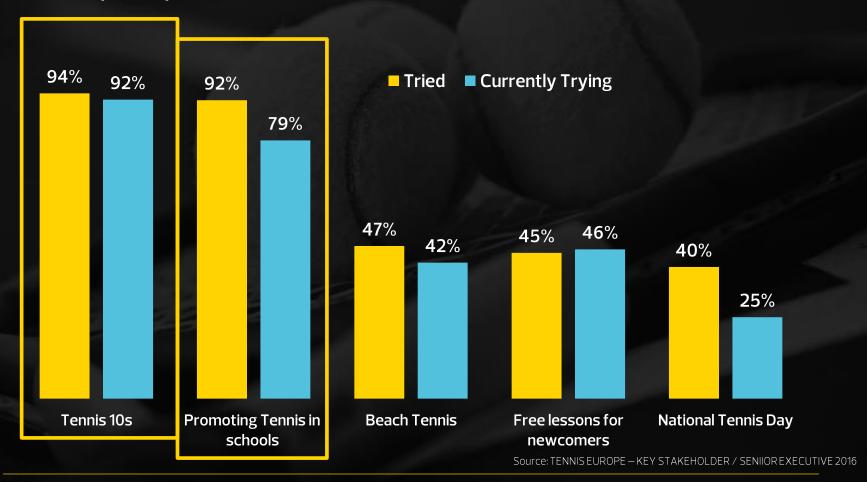






The State of Tennis | Participation Initiatives

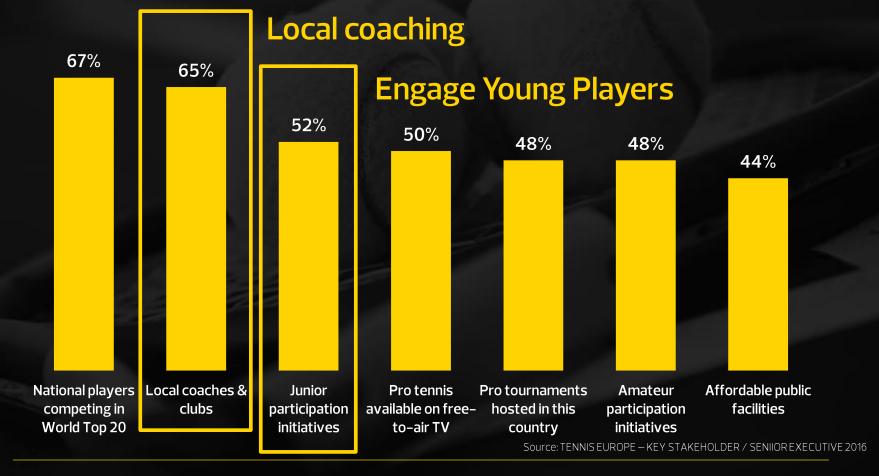
Which participation initiatives have you tried, or are you trying currently, to increase participation?



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The State of Tennis | Increasing Participation

What do you think are the most effective tools in increasing the numbers of people playing tennis in your country?



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SPORTS MARKETING SURVEYS INC. The State of Tennis **OPPORTUNITIES**

Growing Tennis' Economy

THE OPPORTUNITY — GENDER & AGE

TENNIS' NATURAL ADVANTAGE

The Merits of Tennis — As described by the Morning Post — 1904

"It is adapted for people of any age and of both sexes. And as the game has much more healthy excitement than croquet, the chances are it will drive that game out of the field. Tennis has long been known in England as a noble game, but the expense of erecting courts and the time required to master its intricacies have restricted it to a fortunate few.''

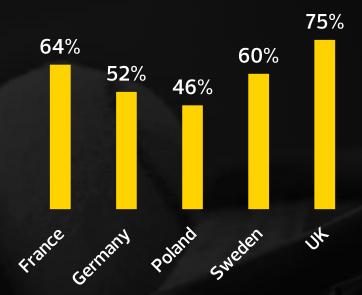




A SPORT FOR ALL AGES

- IMPORTANT TO GET PLAYERS INVOLVED EARLY IN LIFE.
 - Especially in the UK!

% of Tennis Players Who Began Playing Before Age 16



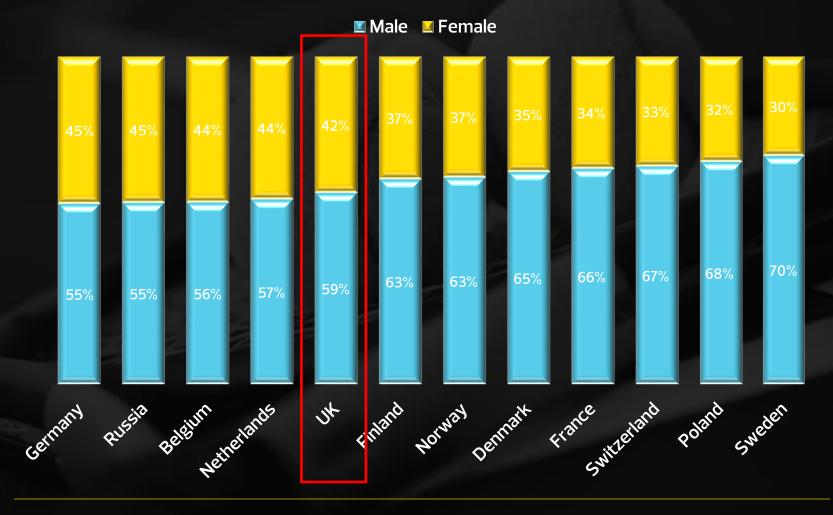
HOWEVER, MAJOR OPPORTUNITY TO APPEAL TO OLDER PLAYERS

· "Household incomes are above their pre-downturn peak overall, but not everyone is better off. While retired households' incomes have soared in recent years, non-retired households still have less money, on average, than before the crash."

> Claudia Wells, Head of Household Income and Expenditure Analysis Office of National Statistics – 2017

Tennis Players by Gender | All Markets

% of Tennis Players Age 6+



Growing Tennis' Economy

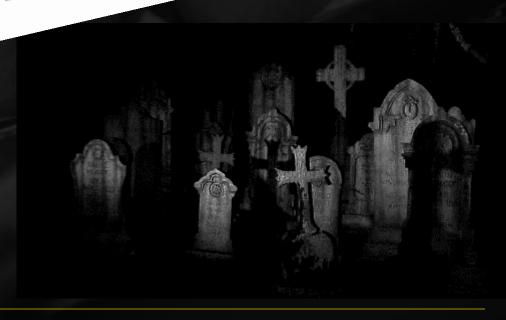
THE OPPORTUNITY — HEALTH AND WELLBEING

The State of Tennis It is a Healthy Sport

Playing tennis will give you an advantage in life, Racquet sports provide protection against early death but running does not, new research

study shows

suggests



47% **LESS CHANCE OF DYING OVER 9 YEARS IF PLAY RACQUET SPORTS**

"A study by Oxford University, and researchers in Finland and Australia, followed more than 80,000 people for an average of nine years to find out if certain sports protected them against early death.

It found that people who played racquet sports regularly were the least likely to die over the study period, reducing their individual risk by 47 per cent compared with people who did no exercise. Swimmers reduced their chance of death by 28 per cent and cyclists by 15 per cent.

Yet running appeared to have no impact on dying early, and neither did playing football or rugby."

Published: November 2016

PERCEPTIONS OF TENNIS — Core players in Europe

SMS INC. EUROPEAN TENNIS HEALTH CHECK 2016

Keep Talking Up The Game

Great clubs Great brands Great opportunities

"Perception is reality. If you are perceived to be something, you might as well be it because that's the truth in people's minds."

Steve Young
(ex NFL player)



TAKE OUTS

- CORE PLAYERS CONTINUE TO PLAY AND ENJOY THE GAME
- A 'SPORT FOR LIFE'
- SOCIABLE & FRIENDLY HAVING FUN AS YOU GET OLDER
- ADDRESS HEALTH ISSUES & KEEP PEOPLE FIT 47% LESS LIKELY TO DIE
- OPPORTUNITY TO KEEP PEOPLE PLAYING FOR LONGER
- PERCEPTIONS FROM PLAYERS AND NON-PLAYERS ARE STILL POSITIVE

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INVESTIGATION

INSIGHT

ACTION

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