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MARKETING NEW ZEALAND SQUASH
IN THE NEXT DECADE

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CONTENTS

1.	Introduction	Page 1
2.	Profile of Club Members	Page 3
3.	Future Scenarios	
	3.1 Worst Case	Page 5
	3.2 Best Case	Page 6
4.	Recommendations	Page 7
5.	Club 2000	Page 9
	5.1 Conceptually	Page 9
	5.2 Management	Page 9
	5.3 Facilities	Page 9
	5.4 Ownership Structures	Page 9
	5.5 Financial Issues	Page 10
	5.6 Programmes	Page 10
	5.7 Membership	Page 10
	5.8 Alliances	Page 10
	5.9 Fees/Subscriptions	Page 10
	5.10 Range of Activities	Page 10
6.	Costs	Page 11
7.	Human Resources	Page 11
8.	The Role of Management	Page 12
9.	Conclusion	Page 13

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1. Introduction

Overall, the sport's administrators can feel proud of a job well done. New Zealand is a small nation and squash is ranked only 8th of 9th sport within it. Despite this you have:

- * Professional development programmes
- * Relatively substantial support from sponsors over the years
- * A club on every corner
- * Money in the bank
- * International recognition

In terms of developing the game, you have done an excellent job. Sure, you could have done things differently but I doubt that you could have done better in terms of value for money.

The annual report is arguably the most prestigious public document issued by NZ Squash. The 1992 report begins with a tribute to Susan Devoy and ends with an honours board of New Zealand Team Managers from 1953. In between it is crammed with reports and photographs of successful players and administrators. No wonder the sport is accused of being elitist! The whole focus of this presentation is on the development of the game through champion performance, right through from club level to international level.

The problem is, you seem to have been focused on the game and not on the players. As a result, you may have lost touch with your market.

Volkswagen did this in the 50's and 60's. They developed the Beetle to be the best selling car of all time. It represented excellent value for money, it was affordable, it was widely available, it had a worldwide parts and service network. But VW failed to notice what was happening with their market. Customers were beginning to demand more comfort, different styling, quieter, cars which were faster and easier to drive. It eventually cost Volkswagen hundreds of millions of dollars (in losses) and almost caused the failure of their Company. They may never regain the dominant position they once had.

What VW failed to understand is that every product has a 'life cycle'. Every product (and service) eventually runs out of buyers and has to be replaced. Many, many businesses have come to grief by failing to introduce new products/services to replace existing ones.

There is a direct parallel in sport. Squash is not alone in experiencing reduced support. Several sports have examined their markets and have shifted their focus accordingly. The sports which are enjoying a growth phase are doing so because they have responded (consciously or not) to market demand, e.g. aerobics, cricket, rugby league and, to a point, golf. They understand the business they're in from a customer point of view.

Let me pose the question 'What business is New Zealand Squash in?'

If I'm right, you have seen yourselves as being in the business of squash – the game. Until recently, that vision has served you well, but now there are danger signs such as:

- * player dissatisfaction
- * declining membership and therefore a declining funding base
- * declining sponsorship
- * declining public profile
- * ageing facilities
- * ageing players

These are classic signs that you are at the end of a life-cycle. Something has to be done.

The most significant change you have to make is within your individual and collective minds. Once you have shifted the focus of your thinking, the answers to the question 'What do we have to do?' will start to become obvious.

In the future you need to be in is the business of 'fun and fitness'.

If you fail to re-focus and act accordingly, then you risk the same fate as the Volkswagen Beetle.

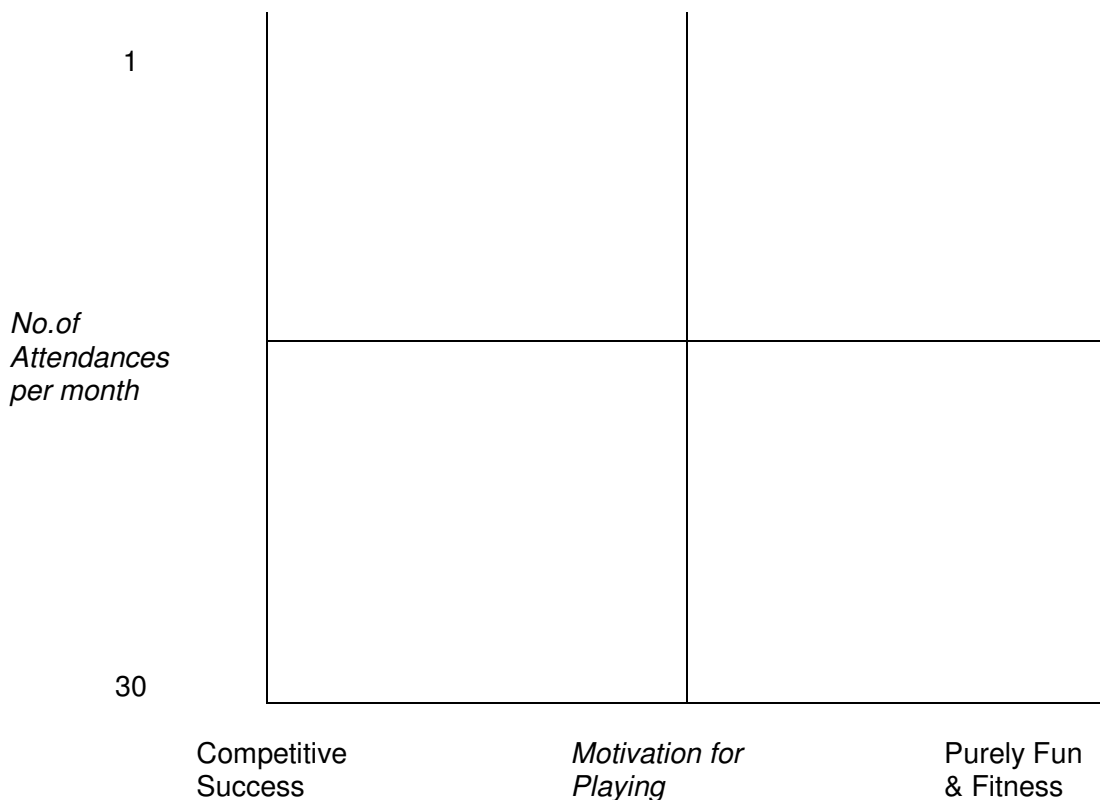
2. Profile of Club Members

It is possible to profile members according to their motivation for playing squash (the horizontal axis) and the number of times that they visit their club each month (the vertical axis). The more seriously competitive you are, the more often you are likely to play. In the scatter-graph below, serious squash players appear on the bottom, left quadrant.

Club committees tend to be elected from the bottom half of the graph – mostly the bottom left quadrant. However, these people are outnumbered 4 or 5 to 1 by the members who appear in the top right quadrant.

A person joining the club will enter via the top right quadrant and members who leave will more than likely do so from this quadrant.

Our research shows that the needs and aspirations of people in the top right quadrant are all but ignored. Yet they represent the funding base for the whole club and the greatest opportunity for growth.



<i>No. of Attendances per month</i>	1	<p>Out of town player</p>	<p>Younger Single Socially active Plays other sports Transient/casual player Focused on fitness Price sensitive Grading unimportant</p>	
	30	<p>Older Squash is main/only sport Elitist Stable Price elastic Serious player Grading important</p>	<p>Older Long time squash supporter Socially active Family oriented Stable Married with family Doesn't play every visit</p>	
		<p>Competitive Success</p>	<p><i>Motivation for Playing</i></p>	<p>Purely Fun & Fitness</p>

3. **Future Scenarios**

Here are two views of the future.

3.1 **Worst Case**

Continuing reduction in club membership

High turnover of members

Clubs can't afford to upgrade – remain dark, sweaty, uninviting.

Changes are unwelcome, even stymied.

Top players seen as – elitist / aloof / lacking PR skills – unattractive to sponsors.

Sponsors harder to come by.

No improvement in 'watchability' – court-side and on TV.

Club committee focused on competition.

Poor communications.

Structure is rigid and heirachial.

Management style is autocratic

Clubs fail – (some members are sued by creditors)

Membership falls steadily

Financial reserves are eroded at increasing rates.

3.2 **Best Case**

Clubs upgrade their facilities – becoming light, bright, sweet-smelling and inviting.

Clubs cooperate with each other and with commercial operators.

Clubs introduce new programmes – especially to help new members.

Club management is put onto a professional basis.

Clubs ‘unblock’ the communications channels and increase member satisfaction.

Club member satisfaction rises.

‘Word-of-mouth’ brings in new members.

Clubs introduce flexible membership options and start to ‘capture’ the casual player.

Clubs open their facilities to the public.

The Institute/High Performance Programmes are so successful they produce world champions.

Our top players are a sponsor’s dream, e.g. Susan Devoy / Peter Blake.

The game evolves to become more ‘watchable’ and TV find new ways to shoot it.

TV coverage goes up and sponsors flock in at local and national level.

Membership grows as at 10%+ per annum compound.

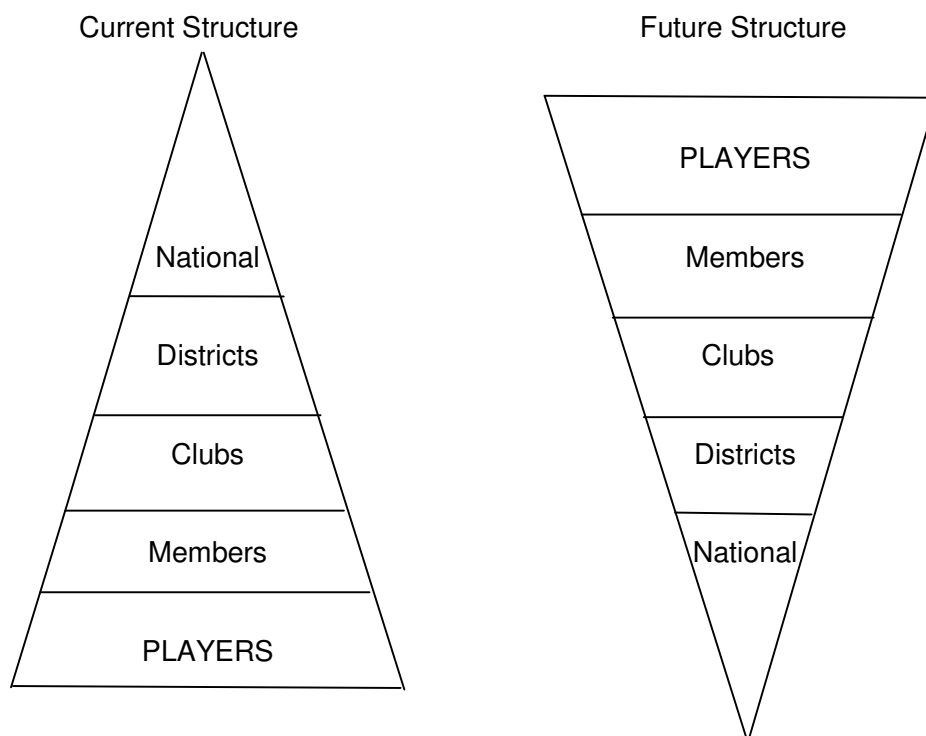
Squash becomes a top five sport.

NZS adopts a new streamlined structure.

Financial reserves build up.

4. Recommendations

- 4.1 Focus your thinking on 'fun and fitness'. Make that the business you are in.
- 4.2 Turn the organisation structure upside down. Make **PLAYERS** the most important people and therefore place them at the top of the organisation structure. Make club committees responsible to players. Make districts responsible to club committees and national office responsible to all of the above.



- 4.3 Carry on promoting the game by pursuing the programmes you have built up over time, e.g. Kiwi Squash, National League, Institute etc. These programmes can be improved by introducing greater efficiency but they're not the major issues right now.
- 4.4 Introduce Club 2000 as a strategic priority (refer section 5). When you do, plan it carefully, implement it quickly and with full-on commitment. (Draft implementation plan is attached as section 10).
- 4.5 Carefully choose the timing to introduce Club 2000 strategy. It is a judgement call to decide whether the timing is right now or at some future date.

- 4.6 Review your strategic plan by adopting the process and outline used in this planning exercise (refer to section 10). Re-write your Mission Statement to reflect the new approach.

Contingency:

- 4.7 If you decide to delay the introduction of Club 2000 – for whatever reason – you should plan to cut costs so as to survive on a shrinking income in the meantime.

5. Strategic Priority – Club 2000

For membership to grow, clubs must respond to the needs and aspirations of the people in the top right-hand quadrant of the scatter-graph. We have coined a working name for this club of the future – Club 2000. Its main characteristics will be:

- 5.1 **Conceptually.** The thinking must shift from the business of squash – the game, to the business of fun and fitness. It should transform from a squash club with a bit of social life to become a fun and fitness club with squash courts. The atmosphere must represent fun, vibrancy and social interaction. People shouldn't even need to play the game to become members.

Perhaps the club could have two committees. One to run the game and the other run the social/fun/fitness activities. The latter committee would have members drawn from the top right-hand quadrant.

- 5.2 **Management.** The club should make every endeavour to shift its management onto a professional basis. It is envisaged that very few clubs could afford full-time management but it could be a part-time position or a contract to another sports/fitness facility operator. However it is done, it will be essential for management to be accountable for their performance and rewarded accordingly. They should be required to submit plans and budgets for the club committees' approval, i.e. shift to a commercial basis.

- 5.3 **Facilities.** It would be important to present facilities which are:

- * well lit inside and out
- * well maintained
- * sweet-smelling and fresh
- * clean and tidy
- * warm and dry
- * versatile, i.e. able to accommodate a variety of uses

Wherever possible the facilities should be linked to multi-use premises. Clubs should investigate other uses for their courts, e.g. aerobics, discos, 'shooting baskets'.

It may be desirable to merge clubs facilities with those offered by other fun/fitness providers.

- 5.4 **Ownership Structures.** Some clubs may decide to sell their existing premises and rebuild in a multi-use location or enter joint ventures with other fun/fitness providers. With some of the new membership options outlined below, it may be inappropriate for the club to belong to the 'members from time-to-time'. This might be the time to privatise the ownership of the club, e.g. by issuing shares in the ownership to existing members and then have the club pay a commercial rental for use of the premises.

5.5 **Financial Issues.** It is envisaged that clubs will need to finance these changes by:

- * Merging with other clubs or commercial operators.
- * Raising loans or debentures from members or from banks.

There will be an inevitably close correlation between ownership and financial issues.

5.6 **Programmes.** It is very important to provide instructors for individuals and groups at all levels of competence. It is equally important to offer a wide range of activities in which squash plays only a part. This could be done in collaboration with other fun/fitness providers. It is equally important to have multi-faceted programmes for families with diverse needs. Special programmes need to be set up for new members.

5.7 **Membership.** The terms and conditions of membership needs to become much more flexible with particular reference to the 'pay as you play' concept. Membership could last for 1 hour or 1 week or 1 month and not just annually. Members should not feel undervalued if they do not play squash. Perhaps membership would not be solely of this squash club, it could be combined with other fun/fitness providers. The clubs should provide for the casual players who are currently patronising the commercial centres.

5.8 **Alliances.** Clubs should take every opportunity to work with other providers of fun and fitness. These could take the form of partnerships, joint ventures, sub contracts, shared resources or programmes, etc. The club has everything to lose and nothing to gain by being isolated from other codes and/or commercial operators.

5.9 **Fees/Subscriptions.** These need to be flexible so as to reflect different classes of membership. They should allow for specials and introductory offers.

It is especially important for fees to vary according to required playing time, i.e. it is totally unfair for a person playing once or twice a week during off-peak times to pay the same subs as a competitive player who plays most nights between 4pm and 7pm.

5.10 **Range of Activities.** Allow for non-squash activities, e.g. other team sports representing the club. Also develop fun and fitness activities which can take place in a squash court.

Introduce new versions of the game which provide for easier rules, quicker games, easier rallies, multiple players, etc. Introduce new competitions which are low-key and can be completed in a reasonable time-frame (take a lead from one-day cricket).

6. **Costs.**

Introducing Club 2000 will be very expensive for Clubs and for New Zealand Squash. Budget estimates can be made once some initial decisions have been taken, e.g. if and when to adopt the strategy?

The key question is not so much can New Zealand Squash afford to do this? as can New Zealand Squash achieve its goals without it? As I see it, your current funding base is at risk anyway. Continuing declines in revenues will eat into your capital reserves unless you cut costs by cutting services. The classical slippery slope syndrome.

I am recommending that you invest a substantial part of your revenues, and perhaps capital, into a bold attempt to reverse current trends. Either way you face tough choices.

7. **Human Resources**

You have contemplated hiring a person in a marketing capacity. I believe any new appointments at this stage should be to carry out the Club 2000 strategy. Not only that, elected officials at all levels and existing staff must share responsibility for its success. This will need to be a team effort involving clubs, districts and national personnel.

You may also need help from outside consultants from time to time.

8 The Role of Management

Establishing Club 2000 will take a huge commitment at club level. It will be expensive, time consuming and the benefits may take some time to emerge.

In the meantime, NZ Squash management can do a great deal to ensure Club 2000's success:

- * Win and maintain the support of all officials at Club, District and National levels.
- * Review the strategic plan to bring it into line with the new thinking.
- * Keep everyone fully informed of progress.
- * Help to develop the game to suit people in the top right quadrant.
- * Introduce communications training for high performance players.
- * Work with TV technology to make the game more 'watchable'.
- * Maintain already high programme standards, i.e. don't sacrifice current performance for the sake of Club 2000.
- * Implement the Club 2000 plan.
- * Keep sponsors informed and happy.

Most of this work will be driven at national level but will also require strong support of all Districts. As mentioned before, this has to be a team effort.

9. Conclusion

You may have expected my recommendations to have talked in terms of promotions, publicity, databases and the like. All of those issues (and many more) need attention in due time. Money spent on them now though, would be wasted in my view.

The strategic priority outlined in section 5 is the vital first step. When you've reversed the current trends (assuming you can) you should revisit issues of promotion etc.

In the meantime, you have to hold the game together.

I have no doubt that you must take drastic action to re-establish a strong growth for Squash. I'm not so clear on the timing. If you act too soon, clubs may not be ready to follow. Leave it too late and you may miss the chance for ever.

It's your call and it's a tough one!

Disclaimer

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