

SPORTS TURF MANAGER

... for safe, natural Sports Turf

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Life Styles and Life Cycles

DEMOGRAPHICS, ECONOMICS AND THE FUTURE OF ONTARIO'S TURF INDUSTRY

Keynote speaker at the Ontario Turfgrass Symposium this year was David Baxter who discussed the topic *A Growing Demand: Life Styles, Life Cycles and the Future of Ontario's Turf Industry*. Since University of Toronto demographer David Foote published his Canadian bestseller *Boom, Bust and Echo*, more and more emphasis has been placed on predicting future market trends by tracking population statistics. Baxter's OTS talk was based on linking demographic information obtained from Statistics Canada with changing economic conditions. The following points highlight emerging North American trends. Although many may appear to have no specific link to the turf care industry, all will shape the future life styles and life cycles of an aging Canadian population. Business owners and municipal managers should consider demographic information in their decision-making processes.

- The Ontario population will rise from the present 11,000,000 to 16,000,000 in the next 30 years. Over the next 10 years, the population aged 45-plus will increase by 1.3 million people while the under 45



The future will bring more community leagues, which are currently popular, and a renewed interest in neighbourhood sports.

population will increase by only 400,000 people. The population of Ontario is aging. The median age for child bearing is 30. Ontario does not have a replacement birthrate. Life expectancies are up. People are living three times longer than either the pension plan or health care system was designed for. One out of four Canadians will live to be 90. Generally as a population, we are more fit and increas-

ingly healthy. Baby-boomers will be the first generation to retire with two pensions.

- Our health care system is increasingly taxed as the population ages, so health care costs rise. Two-thirds of health care spending is on people 65 years or older. Half of the people who retire in Canada are under the age of 61; half of those retiring from the public sector are under the age of 57.

- Young people tend to live in apartments. When they reach the age of 30, they go to ground-oriented accommodations, which can loosely be defined as looking across the snow to a barbecue you forgot to clean! This is the age group who tend to have high discretionary and disposable incomes. The 35-44 age group buy

the largest number of lawnmowers, but the 55-64 age group exhibit the highest household spending on lawnmowers. They buy the ones with all the bells and whistles. One group buys the starter kit, the other a very sophisticated machine.

- Turf services will be much more important in the future. As this 55-64 group ages, their spending declines. However, these are the people ... *con't on page 5*

In this issue of Sports Turf Manager, you'll find ...

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Life Styles and Life Cycles

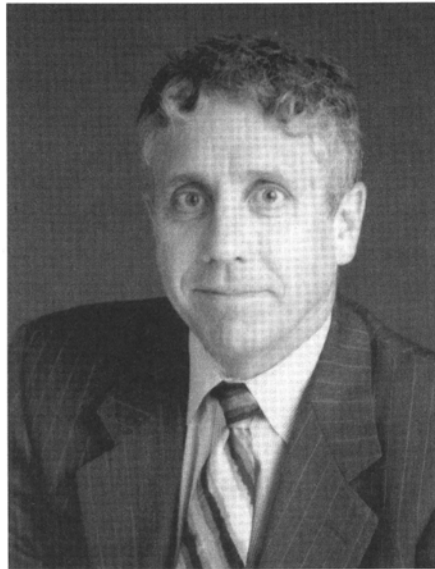
OTS HIGHLIGHT • FRONT COVER ARTICLE CONTINUED

who are hiring others to do the work. So we are eventually going to see less of the consumer trade and more business going to companies that provide horticultural services. In the residential sector, it will be more of a service industry than a product industry.

- In the last ten years, there has been a drop in the domestic product, the level of housing starts and population growth. We are slowly coming to grips with the economic realities of an aging population. Over the next decade, we will reach a state where more people are retiring than entering the work force. There are increasing employment opportunities for young people, but there is also a tremendous challenge for employers looking for skilled labourers/tradespeople. In many sectors, there will be more jobs than people. The future will bring an increasing reliance on immigration to fill a variety of positions in the Canadian workforce. The US will continue to raid our workforce.

- Lifestyles since September 11 have changed. There are more demands on what is available in North America. International travel has slowed, especially by air. More tourist dollars are being spent at home. Internet services have reached the level of sophistication where we don't even need to leave our house – everything can be obtained online.

- Golf, tennis and bingo are *niche or lifestyle* markets, they are not lifecycle markets. On the surface, statistics appear to show that as you age, you start playing bingo. Average household spending on bingo in the under 25 age group is \$119 per year. In the 55 and older age group, annual bingo expenditures are much higher. Yet digging deeper into the data shows that only 10% of the population in each age group, more or less, play bingo; therefore, those that play in the older age groups, play a great deal and spend more – on average \$1,000 a year! Increased spending on bingo is not age related but lifestyle related.



Keynote Speaker David Baxter

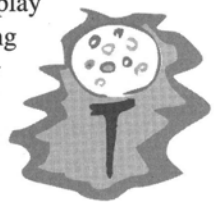
- Economic conditions in 1990 resulted in a very high demand for sod – demand dropped in 1991. In 1998, Ontario was supplying 57% of Canada's sod needs. By 1999, the percentage dropped to 49% as sod prices dropped in value and in acreage sown to 10,820 acres.

- The number of people attending live sporting events peaks in the 35-44 range and drops off after that, as does the spending at these same events. These events will decline in the future. We will see many national and city sporting teams disappear. There will be more community leagues, which are still popular, and renewed interest in neighbourhood sports and industrial leagues is anticipated.

- In the golf industry, there are two main population segments, the most significant is the under 35 age group, the young group with no children, followed by mature adults, many of whom are in the avid golfer category. The latter are the people to focus on to play more rounds and to maintain their avid golfer status to a greater age.

- The US population will grow by two 'Canada's' in the next 25 years providing a major market, tremendous export industry and continental tourism potential.

Remember, people do not play golf because they like playing with a little white ball, they play golf because they get stories, experiences that tie into their lifestyles.



Pay attention to the customer. Study your market, look at what your market is doing. You cannot sell cheaply and provide a high level of service as well. Investigate value-added customer services. Boomers are willing to pay for quality experiences and products.

When Tina Turner appeared on the advertising scene, ladies' hosiery sales went up 400% in one month. People buy tiny perfect containers of goat cheese with basil and other expensive specialty items. What causes such swings in consumer behaviour? Don't assume your market, go out and find your market! Good luck – the times, they are changing ... ■

— Summarized by Michael Bladon

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20 pages
The March issue is dedicated to thorough OTS 2002 coverage.

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