
RESOURCE E

Estimating the Size of the Available Indoor Tennis Market

The single most important factor in determining the need for a covered court tennis facility is the number of available tennis players who would find the facility convenient and affordable. Consequently, estimating the size of the current and future tennis market in reasonable proximity to a proposed new indoor facility is an important step in determining need.

Based on participation and registration patterns of sport and recreation consumers, potential tennis players that reside within an eight to twelve minute travel time from the proposed facility are considered the primary market of the facility. Generally, 60% to 70% of the facility's patronage will arise from the primary market. The secondary market would come from an area outside the primary market boundary and up to a travel time of up to twenty minutes to the facility. Between 30% and 40% of the facility's users can be expected to come from this market.

These market area boundaries can vary quite broadly based on the characteristics of the community, its urban vs. rural locale, the local demographic makeup of its residents, etc. A review of the local recreation department's program registration and sales data can provide a very good indication from where a proposed new facility might attract potential tennis players.

It would also be useful to understand the municipal stance on how many residents from other jurisdictions would be acceptable at the new facility. Normally, financial relationships between municipalities and external organizations are only justifiable if the municipal contribution – such as access to the municipal courts on a year round basis - provides an acceptable level of community benefit to local ratepayers. Therefore, while individuals living outside the jurisdiction in question could help to bolster the membership roster of a potential indoor facility, local municipal residents who have more direct access to the proposed facility should be considered the key numbers in the needs analysis.

An additional qualifier to consider in the need analysis is the priority of the focus on the number of available adult members as the base line indicator. Children and youth represent a portion of the tennis community that will participate in tennis programming that can provide a reasonable stream of income over and above membership or court revenue. However, revenue produced by adult or family memberships plus the income generated by court fees are usually a significant ingredient in a positive business case. So, while junior tennis players will benefit from the availability of an indoor facility in the municipality, the needs assessment should be more heavily weighted in favour of the potential number of players from the available adult market.



The key variables you will need to have in hand in order to accurately estimate the numbers of potential tennis players in the primary and secondary markets are:

- A.** The number of adults currently residing in the primary and secondary market areas of the proposed new facility as well as any estimated population growth in both areas over the next 10 to 15 years (usually available from municipal planning departments);
- B.** The most current tennis participation rate in your community (if a local rate is not available from municipal data like from a sport or recreation master plan, the provincial participation rate available from Tennis Canada can be used);
- C.** The percentage of “frequent” tennis players from within the general pool of all tennis players (frequent players are the most likely candidates to be affiliated with either outdoor or indoor clubs);
- D.** The most current rate of indoor tennis participation by tennis players (available from Tennis Canada’s annual Brand Study); and
- E.** The estimated number of people who play indoor tennis at existing facilities that have market or trade areas that overlap the market area of the proposed facility.

So, hypothetically, let’s assume:

- The adult residential population in the primary market area is 50,000 and 25,000 in the secondary market. Both markets will grow by 2% per year for the next 15 years;
- The local tennis participation rate is approximately equivalent to the national rate of 18%;
- The national percentage of tennis players who play indoors is 20%
- 20% of players play frequently (using the Tennis Canada definition of a frequent player).

These factors result in the following projection of players available in the primary and secondary markets.

| | YR1 | YR5 | YR10 | YR15 |
|--|------------|------------|-------------|-------------|
| <i>Total Adult Population Primary Market</i> | 50,000 | 54,122 | 59,755 | 65,974 |
| <i>Total Adult Population Secondary Market</i> | 25,000 | 27,061 | 29,877 | 32,987 |
| <i>Total Players in Primary Market @ 18%</i> | 9,000 | 9,742 | 10,756 | 11,875 |
| <i>Total Players in Secondary Market</i> | 4,500 | 4,871 | 5,378 | 5,938 |
| <i>Total Indoor Players in Primary Market @ 20%</i> | 1,800 | 1,948 | 2,151 | 2,375 |
| <i>Total Indoor Players in Secondary Market</i> | 900 | 974 | 1,076 | 1,188 |
| <i>Indoor Frequent Players in Primary Market @ 20%</i> | 360 | 390 | 430 | 475 |
| <i>Indoor Frequent Players in Secondary Market</i> | 180 | 195 | 215 | 238 |
| <i>Total Available Market</i> | 540 | 585 | 645 | 713 |