

PLAYING THE LONG GAME

THE GROWING ROLE OF SPORT
IN ENVIRONMENTAL SUSTAINABILITY

A GEMBA WHITE PAPER
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1.0 ABOUT THIS REPORT

Gemba provides insights, strategy and communication services to the sport and entertainment industry. With offices in Sydney, Melbourne, Auckland and London, Gemba's clients include Formula 1, World Rugby, City Football Group, National Rugby League, adidas, Coca-Cola, McDonald's and Toyota. Gemba manages a global insights program across 30 markets that measures how consumers engage with sport and entertainment.

In June 2019, Gemba conducted a bespoke piece of market research aimed at uncovering insights into Australian sports fans' attitudes towards environmental sustainability.

This industry report provides a deep dive into sports fans' attitudes and behaviours, while also exploring what role individuals and sporting organisations have in driving meaningful changes into the future.

"This is our call to action for the Australian sports industry."

2.0 INTRODUCTION

In 2019, our society is exposed to a broad range of societal and community issues, including mental health, gender equality, homelessness, poverty and animal welfare. While these are all important issues, the irreversible impact of human behaviour on our environment makes sustainability the single biggest problem facing our society.

Sport is a powerful industry driven by passion. As a small nation of 25 million people, Australia possesses the eighth largest professional sport economy in the world¹ and is home to 13.5 million Sports Fanatics.² Gemba's view is that sport has the ability – and the responsibility – to be an agent for change, by harnessing this passion towards building a more sustainable industry and society.

Even without thinking of the broader impacts, environmental sustainability is an issue that has direct implications for the sports industry. Without a planet, we've got nothing.

No air to breathe, let alone clean oxygen to fill the lungs of elite athletes chasing world records. No water to drink, let alone pools to do aqua aerobics on a Sunday. No food to eat, let alone Weet-Bix to give away in sponsor activations at a Big Bash game.

As an organisation, Gemba believes that solving this global issue needs to start within our own sphere of influence. As members and consumers within the sport industry, individuals and organisations can take responsibility for how our industry impacts the environment. Decisions we make and actions we take can influence the wider attitudes and behaviours of sports fans.

The long-term nature of this issue is at the heart of Gemba's environmental sustainability research. There is no single solution or single organisation that can solve the issue, and while environmental sustainability is bigger than sport, it is imperative that we as an industry lead the way in contributing to the solution.

This report analyses Australians', and specifically Sports Fanatics', attitudes towards environmental sustainability and explores what opportunities exist for sports organisations, venues and brands to leverage fans' passion to drive long-term change for the better.

The Long Game has already begun, and it is time to turn passion into action.

¹ Gemba, Australia: Sunburnt, Yes. Sports-Mad... Maybe Not!, 2019. <<http://thegembagroup.com/news/sunburnt/>>

² A Sports Fanatic is defined as someone who scores their passion for a sport as 4 or 5 on a 5-point scale.

3.0 THE LONG GAME

There are already many organisations around the world that are leading the charge in promoting and shaping the future of sport’s relationship with and impact on the environment. At the centre of this is the United Nations Sports for Climate Action Framework. This global initiative aims to support and guide members of the sports industry in achieving long-term climate change goals. At the time of publication (July 2019), there are 48 sports organisations around the world that have signed up to the UN’s Framework, including global rights holders such as the NBA and New York Yankees as well as National Sporting Organisations such as Tennis Australia and Bowls Australia.

The set of principles defined under the framework, which aim to mainstream climate action within the sports industry, include.³

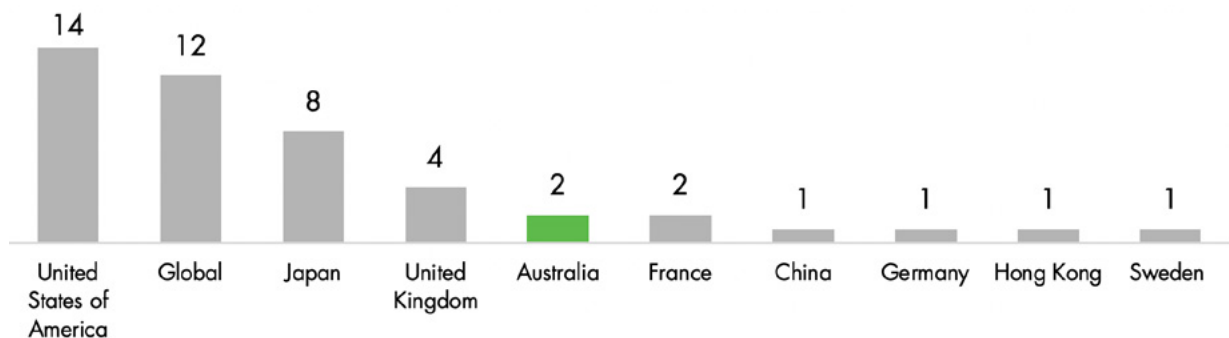
1. Undertaking systematic efforts to promote greater environmental responsibility
2. Reducing overall climate impact
3. Educating for climate action
4. Promoting sustainable and responsible consumption
5. Advocating for climate action through communication

While Australians are vocal about their passion for sport and environmental sustainability (as we will show in this paper), this has yet to translate into Australian rights holders signing up to the globally acknowledged framework, with only two local entities currently committed.

“Businesses cannot be successful when the society around them fails.”

-Samuel A. DiPiazza Jr

Figure 1: UN Sports for Climate Action Framework Signatories | Top 10 Countries



Source: UNFCC

³ United Nations Climate Change, Global Climate Action, Sports for Climate Action Framework, version 02.0, 2019.

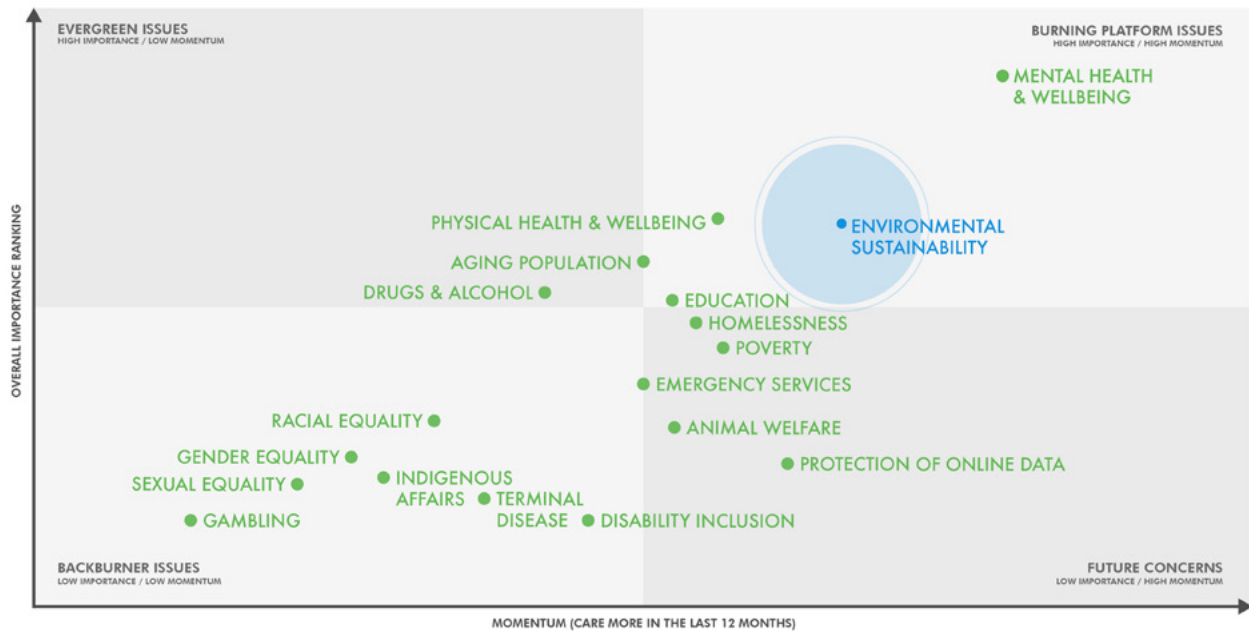
4.0 A GAME OF PASSION

Sport, by nature, is driven by passion – passionate organisations, passionate athletes and passionate spectators.

But sports fans are not one-dimensional. Gemba’s research into sustainability has revealed that 73.5% of Australian Sports Fanatics are also passionate about environmental sustainability. In fact, sustainability is a top-2 issue for many Sports Fanatics, behind only mental health, and rating well ahead of issues such as gambling, gender and sexual equality, or education.⁴

And as an issue it is gaining momentum. Gemba research identifies environmental sustainability as one of two “burning platform” issues that are already rated as highly important, and gaining in importance over the past 12 months (see figure 2, below).

Figure 2: Most Important Societal Issue⁵ | Australian Sports Fanatics



Source: Gemba

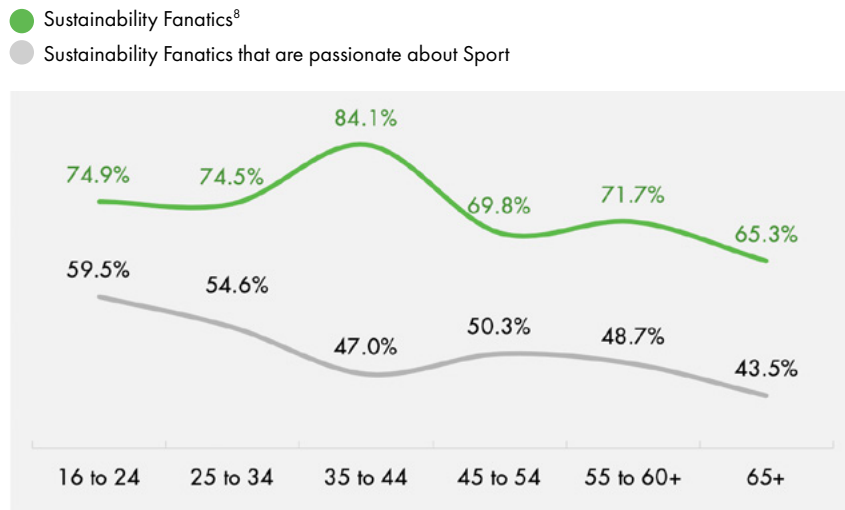
⁴ Gemba Sustainability Research, 2019.

⁵ Of the following social and community issues, please rank in order of 1 to 5 what you believe to be the most important issues for Australia? Thinking about the following issues, how have your views changed over the past 12 months?

This is even more prominent amongst Australians aged under 24 years, who also place a high level of importance on other humanitarian issues, such as poverty and homelessness.⁶ The rate at which younger Australians care about sustainability and individual environmental issues is increasing at a rapid rate, with 53.2% of Australians aged between 16 and 24 stating they care more about sustainability than this time last year.⁷ Research suggests that sport is a powerful channel to generate traction on this issue. Figure 3 below depicts that those passionate about environmental sustainability are also highly passionate about sport.

53.2% of Australians aged between 16 and 24 stating they care more about sustainability than this time last year.

Figure 3: Passion for Environmental Sustainability and Sport | Age Groups



Source: Gemba

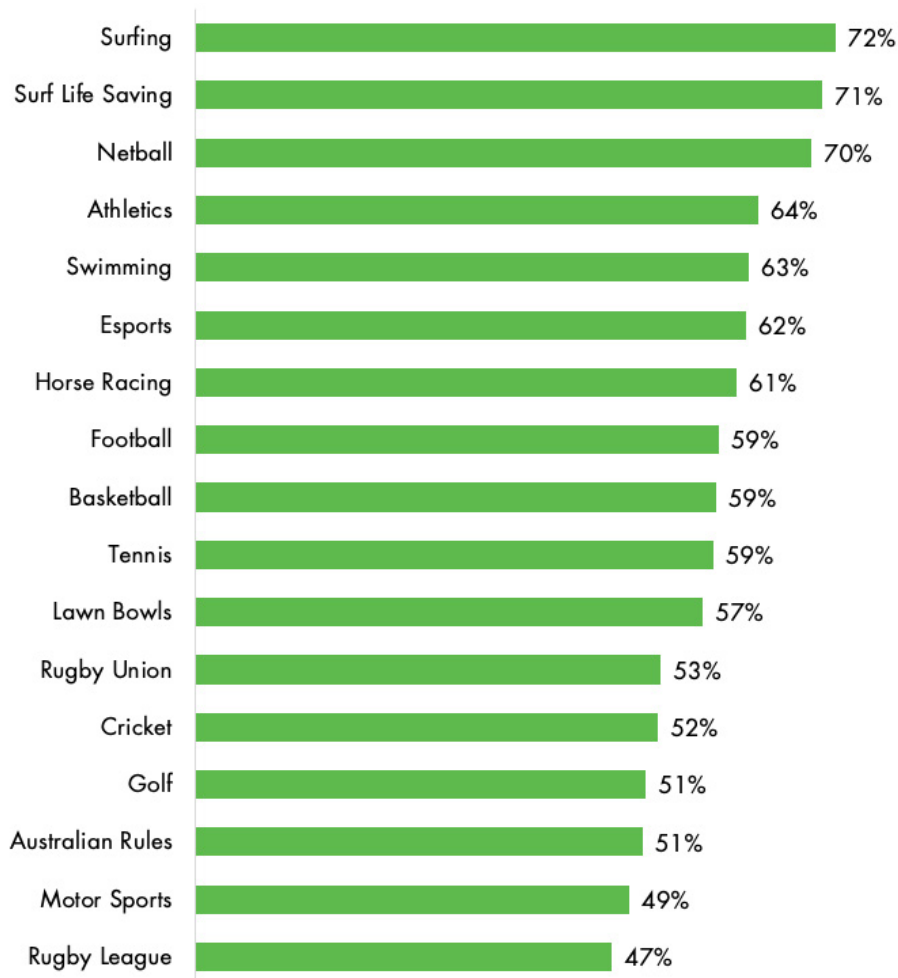
⁶ Gemba Sustainability Research, 2019.

⁷ Gemba Sustainability Research, 2019.

⁸ A Sustainability Fanatic is defined as someone who scores their passion for sustainability as 4 or 5 on a 5-point scale.

In the same way that different age groups place varying importance on societal causes, so do Sports Fanatics. When analysing the level of passion for environmental sustainability, Surfing Fanatics are the most passionate about sustainability (72%), followed by Surf Life Saving (71%) and Netball (70%).⁹

Figure 4: Passion for Environmental Sustainability¹⁰ | Australian Sports Fanatics



Source: Gemba

⁹ Gemba Sustainability Research, 2019.

¹⁰ Indicate your level of passion for each of the following sports? (1-5 scale); indicate your level of passion for each of the following societal issues? (1-5 scale)

5.0 WHY PLAY THE LONG GAME?

Environmental sustainability is an important societal issue and it will continue to increase in importance amongst Sports Fanatics and younger Australians. Sports Fanatics and the general Australian population are increasingly looking to brands, sporting organisations and venues to be leaders in this space and to provide consumers with alternative options. In many cases the more sustainable option also brings fan experience benefits and cost efficiencies – choosing the sustainable option need not mean making a sacrifice on cost, quality or experience. Gemba’s research shows that two in three Sports Fanatics say they are likely to change their purchasing behaviour in favour of brands that support sustainability.

A number of leading Australian organisations have invested in environmentally sustainable initiatives, including the Melbourne Cricket Ground (MCG) that has increased the percentage of its waste diverted to landfill from 60% to 83% over a five-year period¹¹, and Flemington Racecourse, which generates more than 25,000Kw/h each year through solar panels.¹² But the evidence states that while Australian sports organisations (such as MCG and Flemington Racecourse) are increasing investment in this space, it is not cutting through with the general

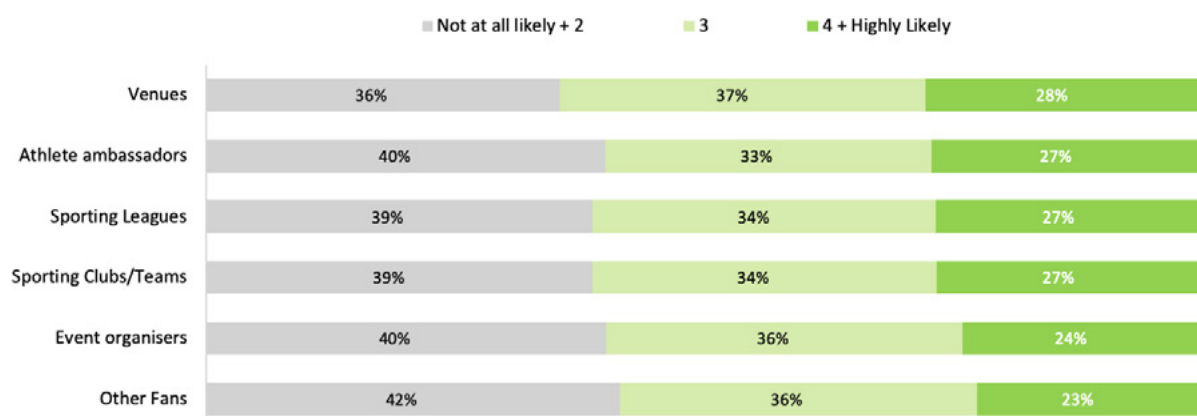
Australian population. When prompted, there was no strong evidence of differentiation on sustainability leadership among Australian stadiums and sports codes.¹³ Gemba’s research has revealed that this is even more prominent from a brand perspective, with 72% of the Australian population unable to recall a brand that has taken the lead on environmental sustainability.

The field is wide open for brands and sports organisations to make a name for themselves as leaders on sustainability, and to build closer engagement with fans for whom this issue is important.

Not all Sports Fanatics will follow, but more than half are at least open to being influenced by the sports industry to change their thinking and behaviour on sustainability.

Two in three Sports Fanatics say they are likely to change their purchasing behaviour in favour of brands that support sustainability.

Figure 5: Ability of Different Entities to Influence Sports Fanatics¹⁴



Note: The figures above have been rounded to the nearest whole number
Source: Gemba

¹¹ Australian Broadcasting Corporation, MCG kicking goals by turning rubbish into compost, bollards for use in nearby Yarra Park, 2018. <<https://www.abc.net.au/news/2018-07-19/war-on-waste-mcg-turns-waste-into-compost-and-plastic-bollards/10007374>>

¹² Flemington Racecourse, Sustainability Initiatives, 2019. <<https://www.flemington.com.au/about-us/sustainability-initiatives>>

¹³ Gemba Sustainability Research, 2019.

¹⁴ On a scale of 1 to 5, 1 been not at all likely and 5 being highly likely, how likely are the below influence your perception and behaviours on societal causes?

6.0 FANS CAN CHANGE THE GAME

Environmental sustainability is a complex issue that is comprised of a range of smaller problems – pollution, plastic bags, carbon emissions, fossil fuels and micro-plastics to name a few.

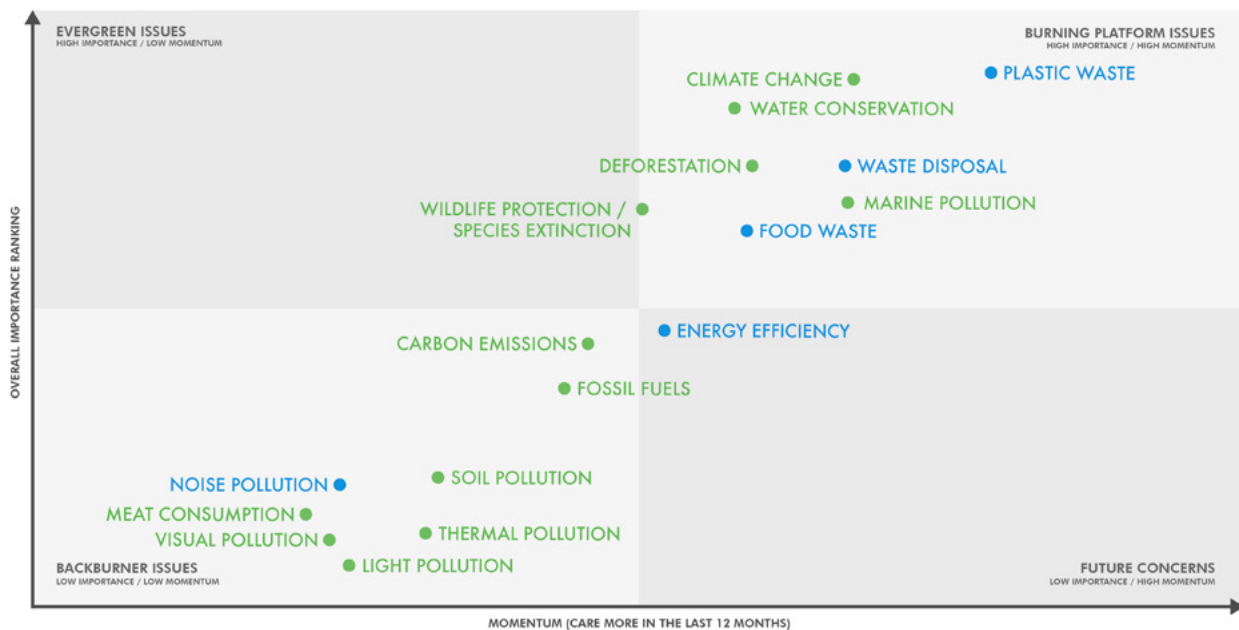
Of the multitude of problems that relate to environmental sustainability, plastic waste is the most visible and concerning environmental issue amongst Australians and is gaining momentum amongst Sports Fanatics of all ages and genders. Plastic waste is also a more prominent issue amongst Sports Fanatics aged between 16 and 24, with 61.4% stating they care more about the issue than 12 months ago.¹⁵

We also asked sports fans which environmental issues they most associate with the sports industry.

The top-ranked sustainability issue – plastic waste – is closely identified with sports. While other top issues like climate change and water conservation are less aligned to the sports industry, burning platform and emerging concerns including waste disposal, food waste and energy efficiency are directly linked to sports in fans’ minds.

Plastic waste is the top-ranked sustainability issue for all Australians, including Sports Fanatics.

Figure 6: Most Important Environmental Issues Impacting the Sport Industry | Australians Sports Fanatics¹⁶



Note: The blue items highlighted above are those that fans believe are most impacted by the sports industry
Source: Gemba

¹⁵ Gemba Sustainability Research, 2019.

¹⁶ Thinking specifically about the sport industry, which of the following environmental factors do you believe to be the most impacted by the sport industry? How have your views changed over the past 12 months?

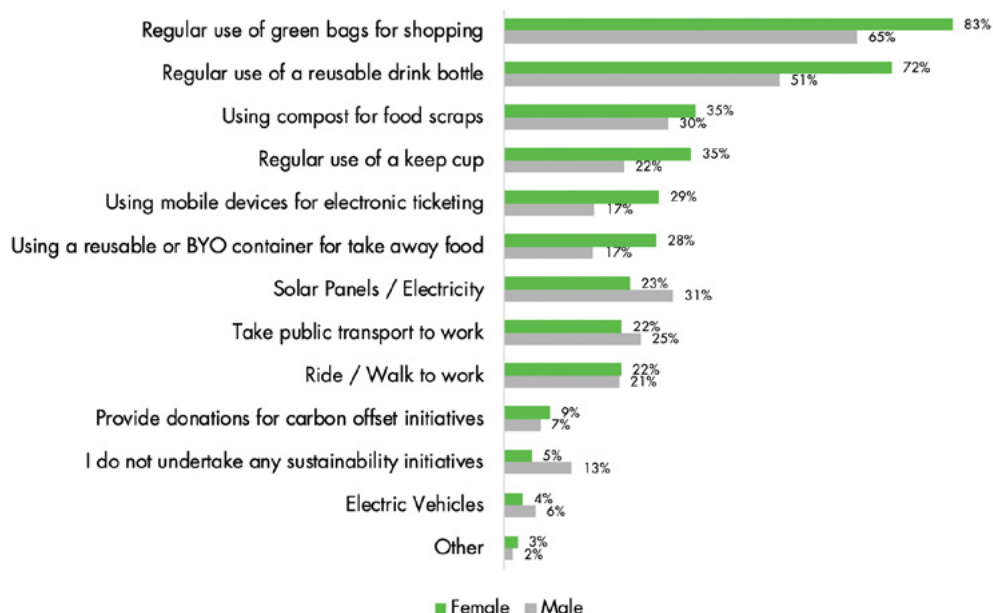
But it's not all up to the industry to change – fans are taking steps to make a difference. Our research suggests that Australian Sports Fanatics are willing to, and in many cases already are, making changes to their everyday behaviour to support environmental sustainability. Gemba's research has revealed that females and under 30's have the most passion for environmental sustainability, with 16 to 24 year olds most likely to take action. Not only are these key demographics that will drive the future change on this topic, but they are frequently identified by sports organisations as growth segments to target from a fan engagement perspective.

Leading sports and venues are taking notice around the world and have begun to implement large scale initiatives, aimed at reducing the impact on the environment while also changing the perception and behaviours of consumers. For example, Tennis Australia has committed to promoting greater environmental responsibility, reducing overall climate impact and educating for climate action.

Upon joining the UN Sports for Climate Action network, Craig Tiley (CEO Tennis Australia) said: "As the biggest sporting event in the world each January, the Australian Open is in a unique position to help drive awareness of the need for increased sustainability. As the national sporting body, we have the power to influence and drive the behavioural changes required to achieve climate neutrality at the local community level."¹⁷

This example demonstrates the enormous potential for sports organisations to influence values, attitudes and behaviours of sport fans, especially from a young age, to support sustainability. Research suggests that individuals develop basic habitual traits in their early childhood, which can have a significant impact on their long-term behaviour.¹⁸ To win "The Long Game" as an industry, consumers will need to be guided and empowered to make more environmentally friendly behavioural decisions. In the context of sporting events, this notion is reflected in waste disposal behaviour, with only 48% of Sports Fanatics stating they seek out the right recycling bin to dispose of their waste at events.¹⁹

Figure 7: Environmental Sustainability Initiatives Currently Engaging In²⁰ | Australian Sports Fanatics



Source: Gemba

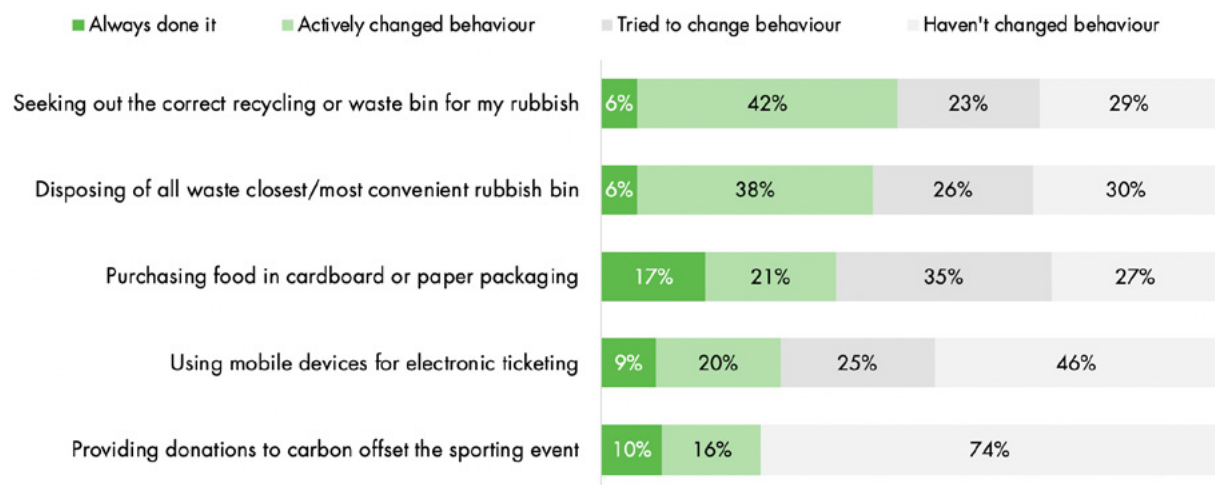
¹⁷ Tennis Australia, Tennis Australia commits to United Nations climate change action, 2019. <<https://www.tennis.com.au/news/2019/06/06/tennis-australia-united-nations-climate-change>>
¹⁸ Pramling Samuelsson & Kaga, Children as Change Agents for Sustainability, 2008.
¹⁹ Gemba Sustainability Research, 2019.
²⁰ What environmental sustainability initiatives are you currently engaging in?

While Australians’ ability to convert claimed passion for sustainability into meaningful action will play an important role long-term, Gemba believes that sports, venues and brands have an increasing responsibility to influence fan behaviour by providing the means to change.

Research suggests that Australian Sports Fanatics would consider changing their behaviour at sporting events if venues enabled them to act in a more sustainable way, but they are less inclined to pay extra to fund carbon offsets or higher cost but more environmentally-friendly alternatives.

Gemba’s research suggests that the greatest impact of environmental sustainability will be driven by changing consumer and organisation behaviours, rather than providing financial contributions to issue resolution.

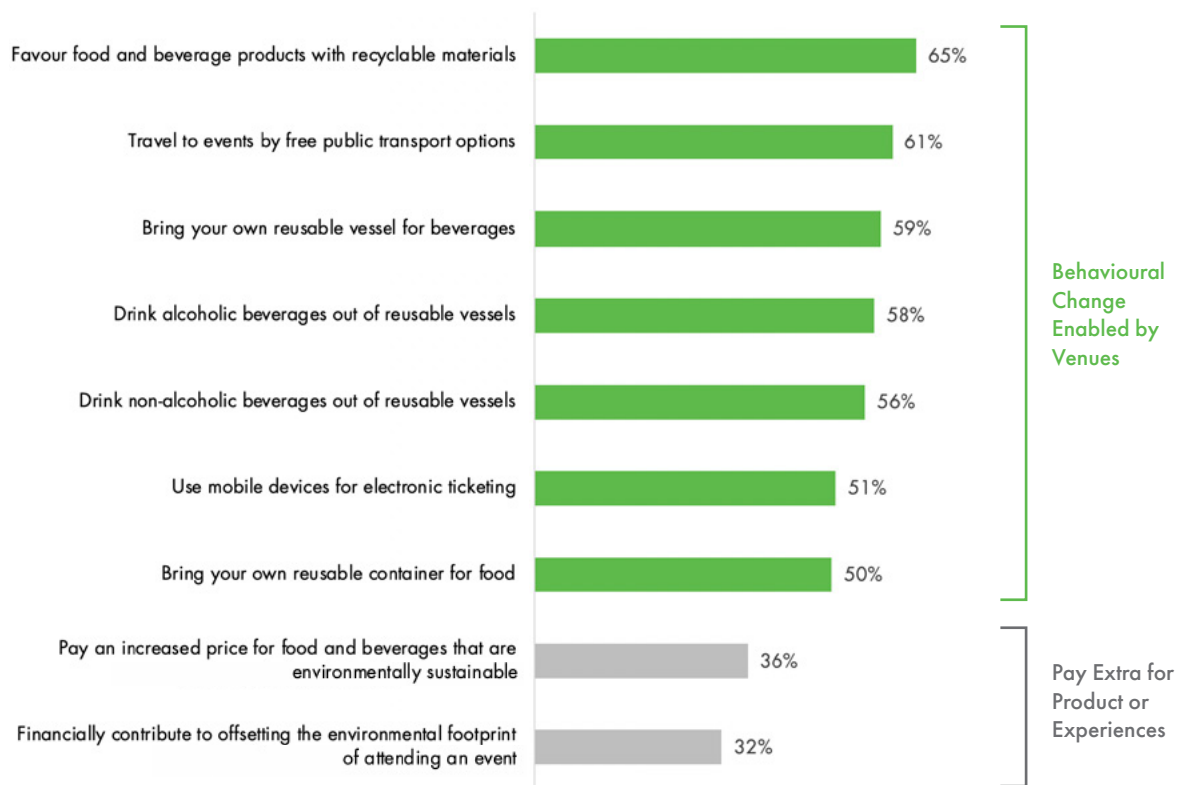
Figure 8: Behaviour on Environmental Initiatives at Sporting Events²¹ | Australian Sport Fanatics



Source: Gemba

²¹ Thinking about the events you attended over the past 12 months, how has your behaviour with relation to the following changed?

Figure 9: Likelihood to Engage in Environmental Initiatives at Future Events²² | Australian Sports Fanatics



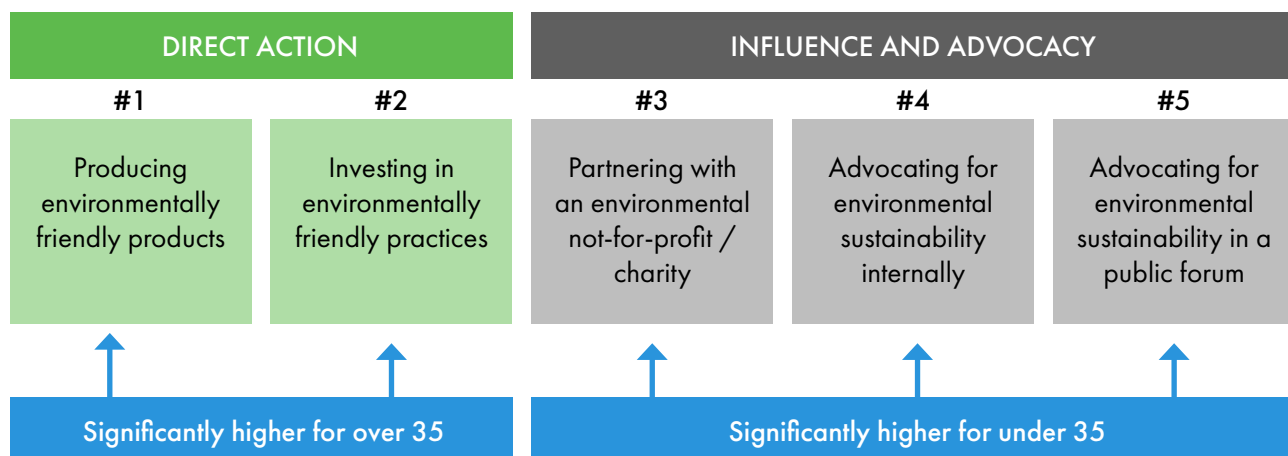
Source: Gemba

²² On a scale of 1 to 5, 1 being not at all likely 5 being highly likely, when thinking about your attendance at future sport events, how likely would you be to.

7.0 THE END GAME

Sports organisations, venues and brands have an increasingly important role to play in influencing real behaviour change amongst Australian Sports Fanatics, which is a sentiment mirrored by consumers’ expectations of organisations. When asked what consumers want to see in an environmentally sustainable company, most Australians expressed a desire to see direct action over advocacy.

Figure 10: Consumers’ Expectations on Environmentally Sustainable Company Behaviour²³ | Australian Population



Source: Gemba

The sports industry has a unique opportunity, and we would argue a responsibility, to play a lead role in combating environmental challenges – harnessing extreme passion for extreme action as advocates and drivers of behaviour change for environmental sustainability.

The Long Game has already begun – awareness and passion on this issue is rising and about to reach a tipping point. Gemba estimates that the number of Australians that care deeply about environmental sustainability will increase from 10 million in 2019 to at least 15.7 million by 2029.

At Gemba, we’re up for the challenge and are committed to improving our environmental leadership in all our business activities. We challenge all Australian sports organisations, venues and brands, regardless of their size or location, to join us to help push our industry forward. As an industry, we have the power to impact social change and we can create ideas and implement actions that use sport and entertainment to influence real outcomes.

²³ In regard to being an environmentally sustainable company, please rank the importance of the following actions.

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