



Special Message From SFIA Research

For the past 107 years, the Sporting Goods Manufacturers Association (SGMA) has been the leading source of research-based knowledge for the sports and fitness industry. As you will note by the new logo above, the Sporting Goods Manufacturers Association has recently transitioned to a new name for our organization: ***Sports & Fitness Industry Association***, with the acronym **SFIA**. The foundation of our trade association and the core constituents who benefit from an affiliation with our organization remains the same. However, we believe the new name represents a much clearer reflection of our current and future membership. This is not a shift in philosophy for our organization. It is simply a more accurate and transparent indication of the broader industry segments that we serve.

This cover page serves to make you aware of our new name and simultaneously explains why you will see references to SGMA throughout research reports that pre-date our transition from SGMA to SFIA.

For more information related to the rebranding process, please visit the SFIA website at www.sfia.org/about/sfiafaqs to review our FAQ's. You may also contact SFIA Headquarters at 301.495.6321.



THE JOURNEY OF SPORTS PARTICIPATION

2012 Grassroots Sports Participation in America Study

Executive Summary – Fall, 2012



Introduction

We get it - Americans lead increasingly sedentary lives. We live behind desks, computers, and TV screens. As a result, the obesity rate for adults is now approaching 30% according to Centers for Disease Control data. The rate for youth and teens is on the rise. More seriously for our economy, health care costs across our nation are skyrocketing and may be as high as \$300 billion annually. Surprisingly, however, is the contradictory fact that 81% of the U.S. population has a desire to be active in some way. [ACTIVE segmentation study, 2012]. So why aren't they?

ACTIVE Network and SGMA joined forces 18 months ago -- not to belabor the obesity crisis story -- but to start finding ways to inspire parents, activity organizers, and manufacturers to **DO SOMETHING** about it.

For the first time ever, we are going beyond reporting on what sports or activities people do to **reveal key motivators and blockers for sports and activity participation overall**. Why do we make the decision to start a sport or activity, why do we continue, why do we stop? We examine why people of all ages pursue specific sports and activities and how spending on activity fees, participation, and sporting goods and nutrition track to the entire participation journey.

Fortunately, there is good news. It is NEVER too late to become more active. Here is a sneak peak at some of our fascinating insights:

- 92% of Youth and 88% of Teens start participating in sports because they are fun. Less than 1/3 of adults point to any sort of "fun" as a motivator for health and fitness.
- As parents become more active (as defined by # of sports activities parents sign up to participate in), their kids become significantly more active.
- For adults, lack of social support is a barrier to starting and continuing in sports.
- Adults simply aren't committing their pocketbooks to actual participation. Youth spending on event registration and facility fees is greater than spending on apparel and footwear combined. Adult spending is the opposite, with more dollars going to apparel and footwear than facilities and event registrations.

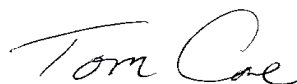
This three-part report creates a clear call to action for Parents, Activity Organizers and Manufacturers alike. In these reports, we look into specific actions that will help all of us grow the business of participation and get Americans more ACTIVE & FIT.

We hope you enjoy this complimentary executive summary that provides a great 30,000 foot view of the data. We know you'll be interested in learning more from our Youth and Teen, Adult, and Segmentation Reports. Each one contains never-been-seen before insights that you won't find anywhere else. Ultimately, we believe that by understanding the root motivators and blockers towards participation, all of us can help become part of getting America more involved, engaged, and healthy.

Thanks for your support. Stay ACTIVE



Dave Alberga
CEO, ACTIVE Network



Tom Cove
CEO & President, SGMA

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Grassroots Sports Participants in America Report

Why They Play • Why They Stay • Why They Go...
and What They Buy

Growth in Sports and Fitness Starts with the Grassroots

For the first time ever, we are going beyond reporting on what sports or activities people do to reveal key motivators and blockers for sports and activity participation overall. Why do we make the decision to start a sport or activity, why do we continue, why do we stop? We examine why people of all ages pursue specific sports and activities and how spending on activity fees, participation, and sporting goods and nutrition track to the entire participation journey.

Report 1: Youth and Teens

Sports Included:

- Baseball, Basketball, Cheerleading, Tackle Football, Gymnastics, Lacrosse, Martial Arts, Soccer, Softball, Swimming & Track and Field

Motivators and Influencers

- Youth
- Teens
- Business Implications

Brand Usage, Preferences and Spending Patterns

- Apparel, Footwear, Equipment, Nutrition
- Spending Habits

Report 2: Adults

Sports Included

- Team Sports, Boxing, Climbing, Road and Mountain Cycling, Cardio and Strength Fitness, Running, Swimming, Tennis, Volleyball, & Walking for Fitness

Motivators and Influencers

- Why Start
- Why Quit

Brand Usage, Preferences and Spending Patterns

- Apparel, Footwear, Equipment, Nutrition
- Spending Habits

Report 1: Youth and Teens... who should buy

- National Governing Bodies
- League and Sports Organizers
- Parks and Rec Departments
- Phys. Ed. Educators
- Sports Federations
- Professional Sports Leagues
- Sports Travel Professionals
- Sports Brands and Products
- Cost: \$4,500.00

Report 2: Adults...who should buy

- National Governing Bodies
- Insurance Companies
- Health and Wellness Org.
- Sports Apparel, Footwear, equipment and related brands
- Parks and Rec Departments
- Cost: \$4,500.00

Purchase both reports for \$8,000.00 and receive the Segmentation Study for an additional \$1,000.00

Plus...Exclusive Segmentation Study and selected cross tab report will be available to subscribers of both the Youth/Teen and the Adult report for \$1,000.00 or \$2,900.00 as a standalone.

About Us

This report is a combined effort between the ACTIVE Network and The Sporting Goods Manufacturers Association, (SGMA). For more information about the Grassroots Sports Participation in America report, please contact either Neil Schwartz at SGMA Research or Kristin Carroll at the ACTIVE Network.

About Us

About ACTIVE Network

Active Network (NYSE: ACTV) is on a mission to make the world a more active place. With deep expertise in activity and participant management™, our ActiveWorks® cloud technology helps organizers transform and grow their businesses. We do this through technology solutions that power the world's activities and through online destinations such as Active.com® that connect people with the things they love to do. Serving over 50,000 global business customers and driving over 80 million transactions annually, we help organizers get participants, manage their events and build communities. Active Network is headquartered in San Diego, California and has over 30 offices worldwide. Learn more at ActiveNetwork.com or Active.com and engage with us on Twitter@ActiveNetwork, [@Active](https://www.facebook.com/ActiveNetwork) and on [Facebook](https://www.facebook.com/ActiveNetwork).

About the SGMA

The Sporting Goods Manufacturers Association, the trade association of leading industry sports and fitness brands, enhances industry vitality and fosters sports and fitness participation through research, thought leadership, product promotion and public policy. SGMA produces the industry leading National Health Through Fitness Day on Capitol Hill as well as representing the industry on trade and consumer issues. More information about SGMA membership and SGMA Research can be found at sgma.com or via email at sgmaresearch@sgma.com

About Sports Marketing Surveys USA

Sports Marketing Surveys USA is the exclusive source of all marketing research and industry information that is available through the SGMA. In addition, SMS-USA is the driving force for the yearly Sports, Fitness and Recreational Activity Participation study conducted for the Physical Activity Council. To get in contact with SMS-USA email: neil.schwartz@sportsmarketingsurveysusa.com

Report Usage

A product of ACTIVE Network and the SGMA; any publication, distribution, or disclosure of the contents of this report must properly reference the 2012 The Sports Activity Journey – From Youth to Adult and ACTIVE Network and the SGMA.

Disclaimer

While proper due care and diligence has been taken in the preparation of this document, ACTIVE Network and SGMA cannot guarantee the accuracy of the information contained and does not accept any liability for any loss or damage caused as a result of using information or recommendations contained within this document.

Methodology

Responses were collected through a web-based survey in February 2012. Two panels were used for data collection. General Population (Gen Pop) respondents were provided by SGMA, and ACTIVE Network provided respondents from its ACTIVE Lifestyle Panel, a proprietary consumer panel of over 55,000 registered ACTIVE.com users.

The survey took approximately 20 minutes to complete. Respondents were entered into a random prize drawing as reimbursement for their time. All data collected were anonymous, confidential, and stored securely by ACTIVE Network.

Statistics

Cross tab results presented by top 3 box percentages and are color coded from red to green. For each table, a chi-squared test for independence has been performed. Cells where the observed frequency of responses are within 2 standardized residuals from the expected frequency are colored yellow. Cells with an observed frequency of responses ranging from -2 to -6 standardized residuals below the expected frequency become progressively redder. Similarly, cells with an observed frequency of responses ranging from 2 to 6 standardized residuals above the expected frequency become progressively greener. Any standardized residuals below -6 or above 6 are colored red and green, respectively.

Average value results are presented in color coded from red to green. For each cell of the table, a z-test has been performed testing the hypothesis that the cell value is different from the overall average for that row. Cells where the overall average is within to standard errors of the cell value are colored yellow. Cells that are -2 to -6 standard errors below the overall average become progressively redder. Cells that are 2 to 6 standard errors above the overall average become progressively greener. Any cells that are 6 standard errors below or above the overall row average are colored red and green, respectively.

Executive Summary

As we examined the sports activity journey as it started from Youth all the way up to Adulthood, we observed several key “meta” themes emerging from the data that have implications across all age ranges. These themes are critical to understanding what motivates participants to continue in sports as they go from Youth to Teen to Adult, and how we can leverage these insights into growing the business of sports.

Kids just want to have fun, but what about adults?

As we examined the data from ages 8 up through adulthood, one phenomenon that eclipsed all others was how fun (the most powerful motivator for youth and teens) became almost completely absent from adults in terms of motivations.

To keep youth and teens committed to sports, fun must be a key component. 92% of Youth are motivated to start sports because they are fun, and 88% of Teens are motivated to start sports because they are fun. Motivations to continue place equal importance on fun – with 90% of Youth and 84% of Teens citing fun as the number one motivator to continue in sports.

But as we move from childhood to adulthood, sports shift from something that provides fun and become more goal-focused, specifically around health and fitness goals. The top 5 motivators for adults are all health and fitness related:

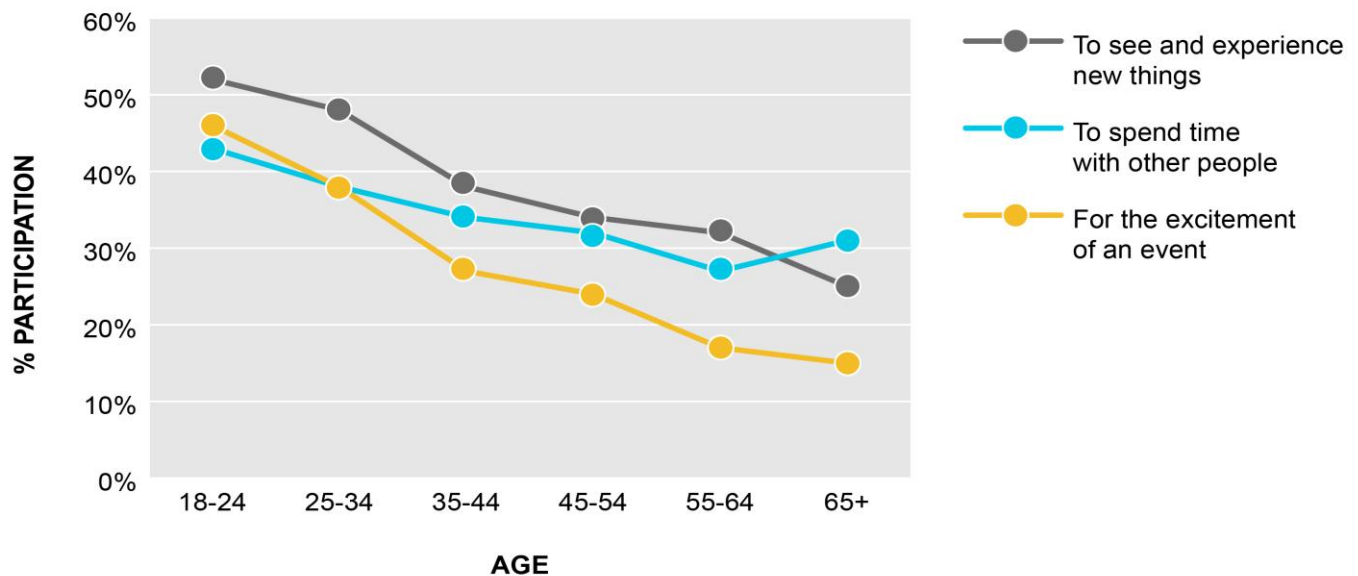
1. To improve my overall health (89%)
2. To maintain my overall health (88%)
3. To improve my fitness (88%)
4. To maintain my fitness (86%)
5. Because I thought I'd feel better (85%)

Motivators that indicated any sort of “fun” were much lower on the list of overall motivators:

- For the excitement of an event (27%)
- To spend time with other people (36%)
- To see experience new things (37%)

While younger adults tend to be more motivated by “fun” earlier in their lives, it decreases in importance over time:

MOTIVATION FOR PARTICIPATING IN SPORTING ACTIVITIES



Implications

Where is the fun in participating in sports as we get older? While health concerns (and limited ability) may become increasing blockers to participation over time, is health and fitness a strong enough motivator to keep adults motivated? Why do we give up on fun as adults? If we expect sports to deliver joy and fun to our kids, why do we expect so little?

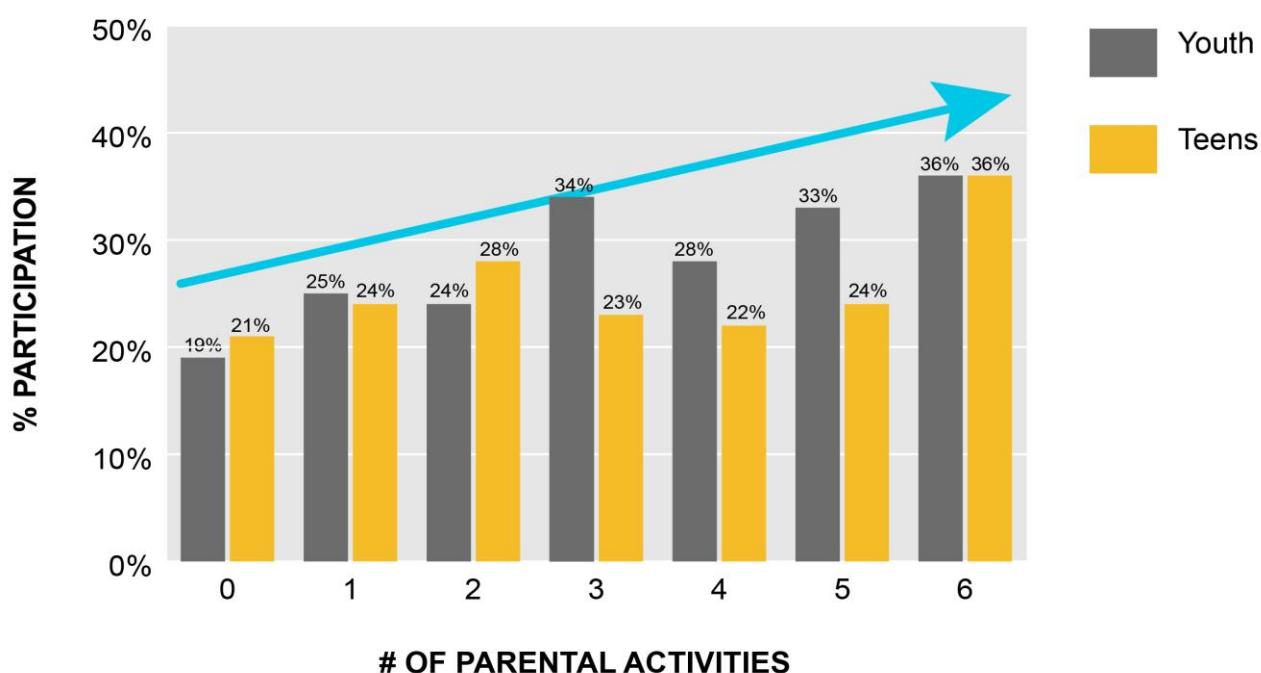
As organizations that support sports participation, let's challenge ourselves to inject more fun into sports for adults. The endurance industry gets it – the new “mob races” (mud runs, obstacle races, paint runs) have experienced explosive growth over the past year – with over a million participants in 2011. Do they understand the motivation (and benefit) of delivering on a fun experience better than other sports? Let's put the fun back in sports!

It's a family affair

We have all heard the excuses on why we are participating in sports: “No time”, “Too busy”, etc. the list goes on. We also hear the constant reminders to Youth and Teens on how important it is to exercise every day. But are we sending them the right message?

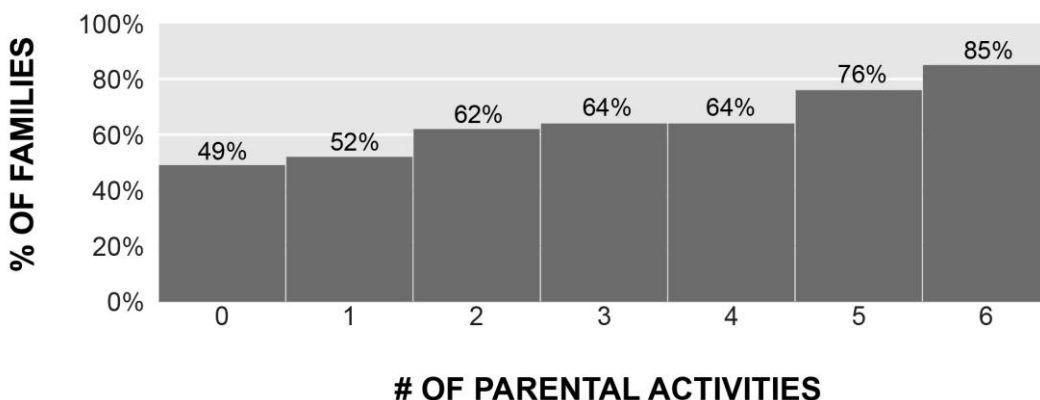
Our data actually demonstrated something more interesting. As parents become more active (i.e., number of sports activities in which parents participate), the motivation for Youth and Teens to start participating “because it’s important to his/her family” increases as well.

As demonstrated by the chart below, the more active in sports the parents are, the more motivated youth and teens are by the family, meaning the active family makes sports participation a priority for the entire family.

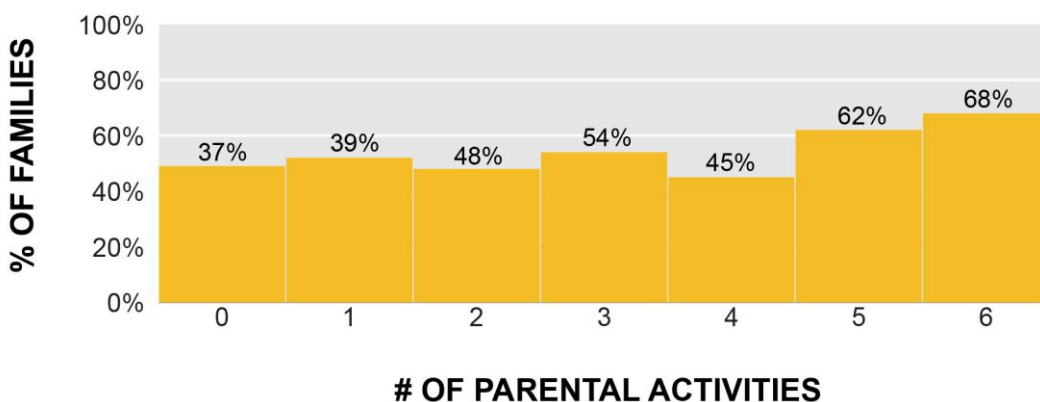
FAMILIES WITH YOUTH PARTICIPATING IN SPORTING ACTIVITIES

And families with active parents have youth and teens in more sports. In fact, as the number of parent activities increases, so does the percent of families with youth and teens participating in two or more activities.

FAMILIES WITH YOUTH PARTICIPATING IN 2 OR MORE ACTIVITIES



FAMILIES WITH TEENS PARTICIPATING IN 2 OR MORE ACTIVITIES



Implications

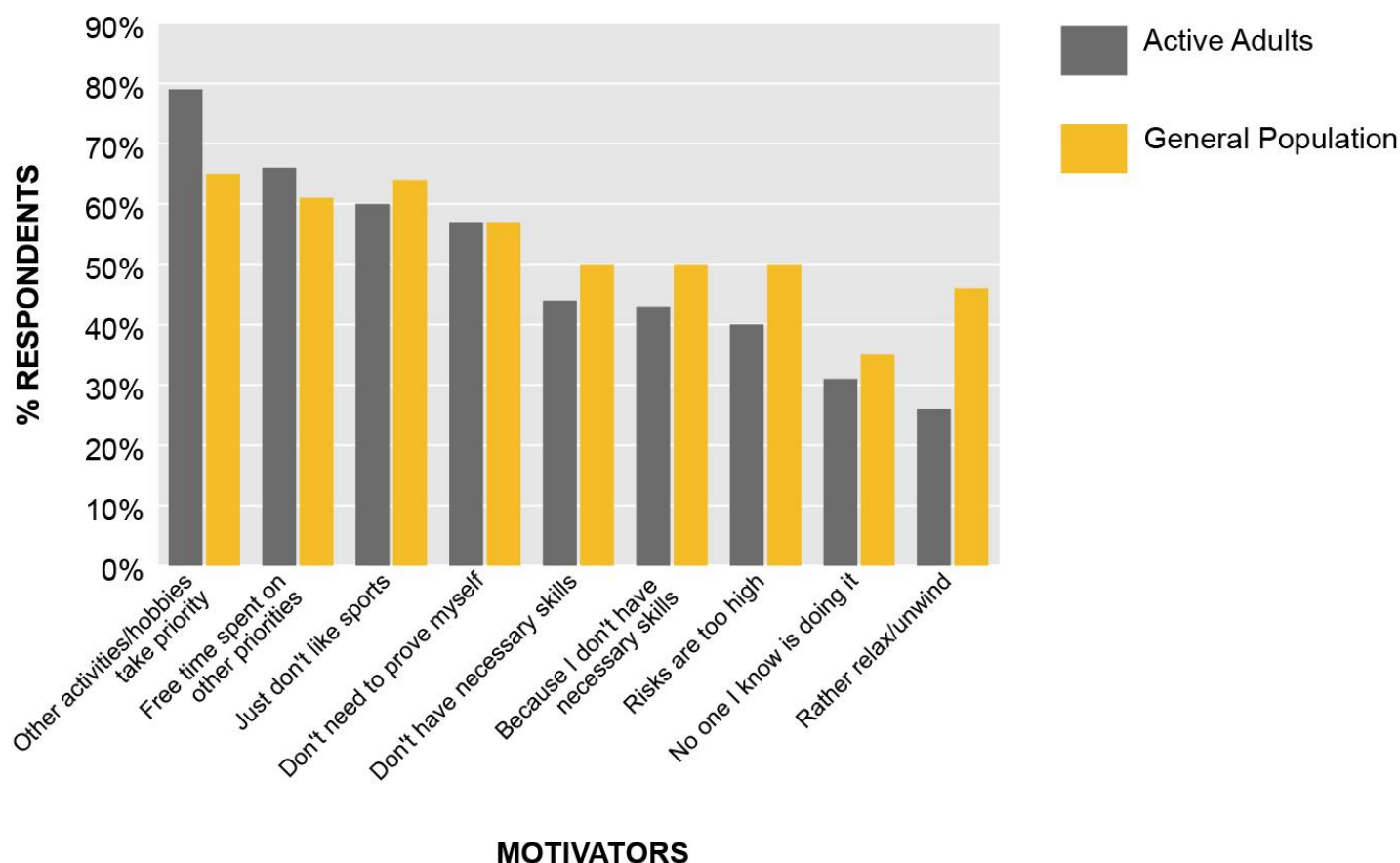
So what does this mean for families in the U.S? It means it's time for parents to think differently – the more they participate, the more their kids will participate. Make it a family priority. Your kids will follow your lead, and become more active as a result.

Want to get adults moving? Show them some love (support)!

As we examined why participants never started a sport/activity, we identified some interesting findings.

“Active” adults (meaning adults who had paid to participate in a sport in the past 12 months and were, for all intents and purposes, already active in at least one sport) seemed more blocked by other hobbies or commitments – as their highest motivators to never start a sport centered around other hobbies / commitments.

However, in examining the general population, other blockers emerged, such as “don’t like the sport”, “don’t have the skills”, and “risks are too high”. These blockers imply a confidence issue with adults who may not be already active around trying something new.

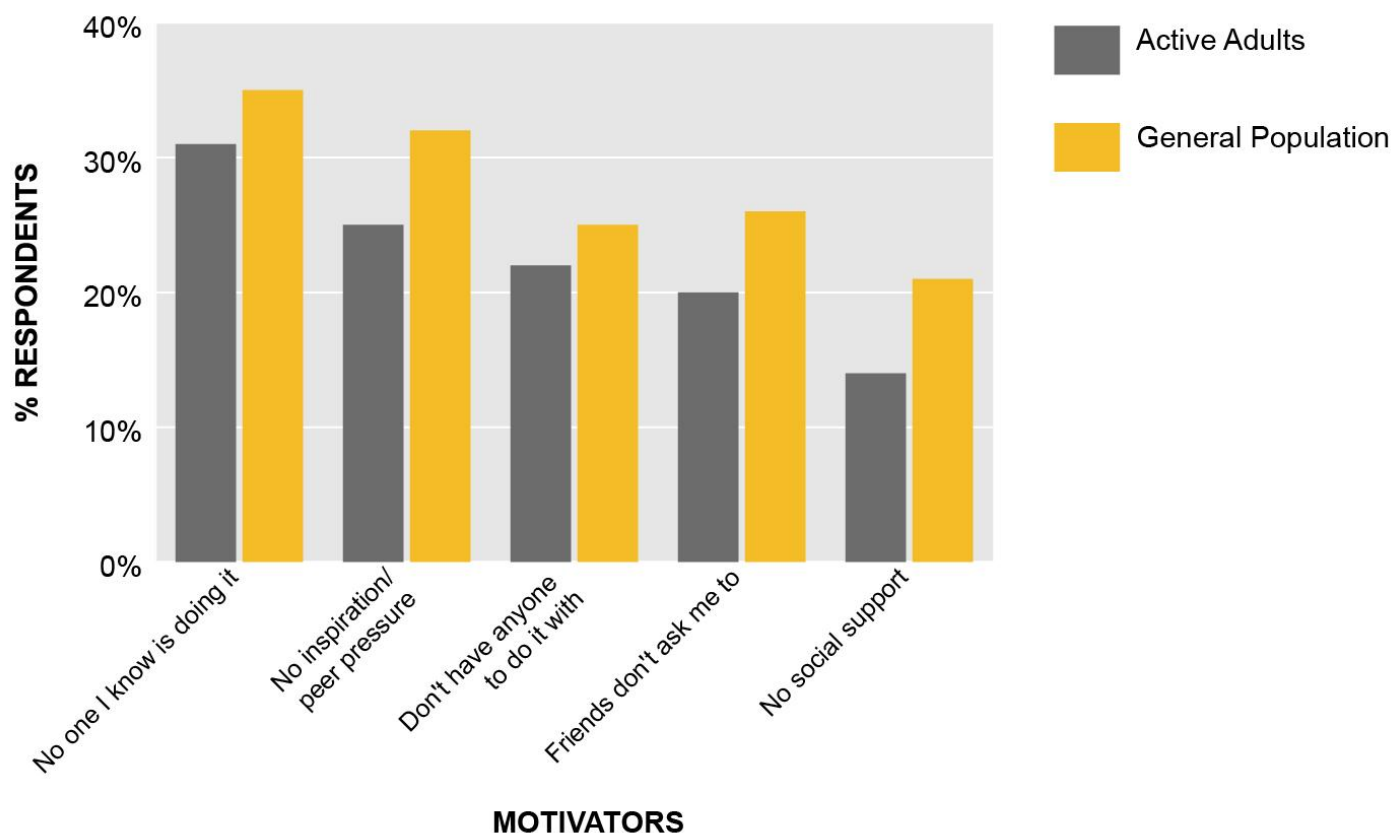
WHY ADULTS NEVER START SPORTING ACTIVITIES

And as indicated earlier, the parent's influence on their youth or teen's activity motivations and levels is critical. When examining youth of both active and general population youth, general population youth had higher motivations around preferring non-sport activities than their active counterparts (38% vs. 34% respectively). This difference becomes more pronounced as youth move to teens – with 40% of general population teens stating “prefer non-sport activities” for never starting a sport (versus 23% of active teens).

General population youth and teens were also 2x more likely to answer “not fit enough” as a motivation to never start a sport, while their active counterparts were more likely to indicate too many sports or activities as motivators to never start a sport.

When we separated out what we consider to be “social motivators” (those related to having the support from friends and family), we identified another pattern. General population participants were more motivated to never start a sport because of lack of social support than their active participant counterparts.

SOCIAL REASONS WHY ADULTS NEVER START SPORTING ACTIVITIES



Implications

Providing a social network that can provide inspiration and support appears to be an important component of overcoming the “never start” blockers that adults have later in life and helps get them off the sidelines and into the game.

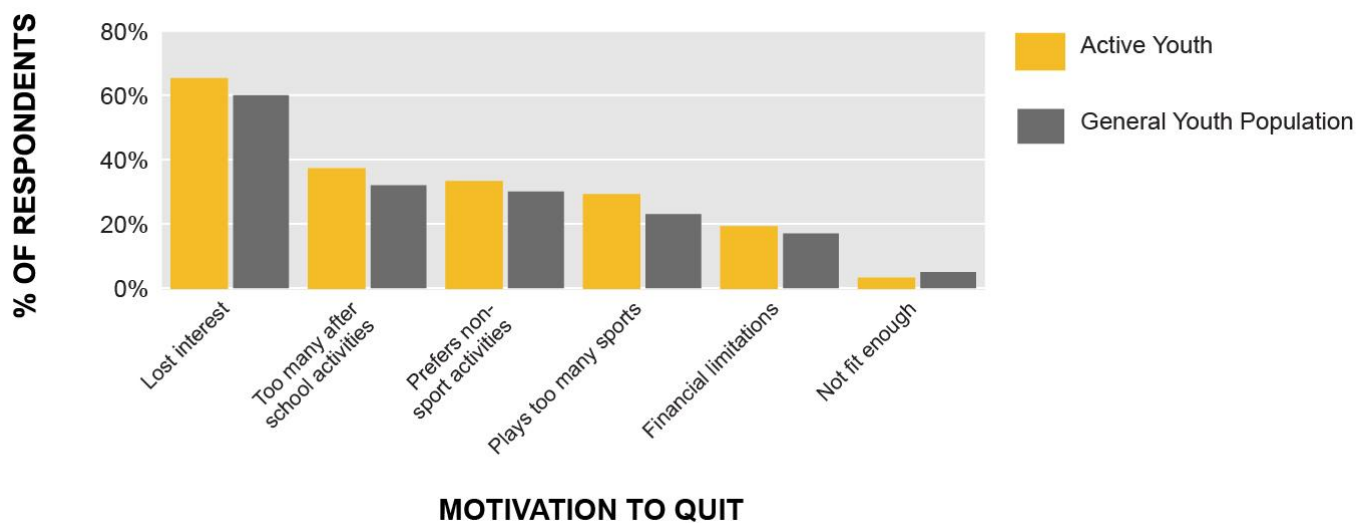
What are we doing to give participants the support and inspiration they need? We have access to hundreds of social media tools that consumers already embrace – how do we harness the power of social media to create a support network?

Get “active” early in life – it gets harder later on!

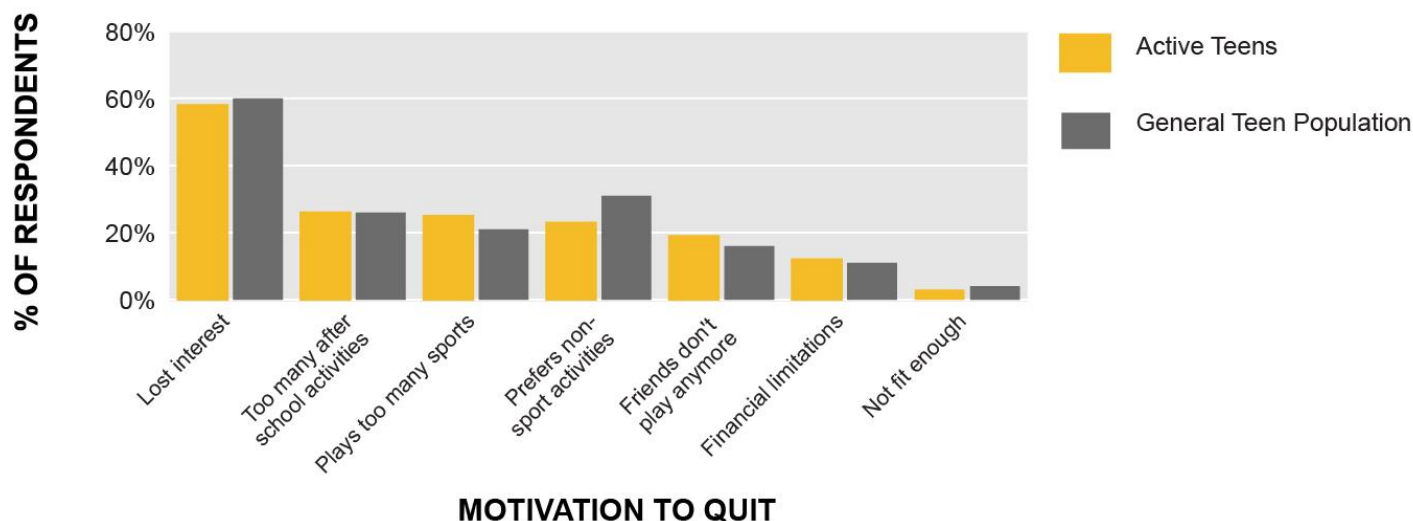
For both youth and teens, as discussed previously, as the fun of participating in a sport declines, “lost interest” becomes the number one motivator for quitting for both active participants as well as general population participants.

Active youth and teen participants are more impacted by a higher number of activities (both afterschool and other sports) as a motivator to quit citing both “too many after school activities” and “plays too many sports” as top reasons to quit.

However, when it comes to “not fit enough” as a motivator to quit sports, general population are more likely have this as a reason than active participants.

WHY YOUTH QUIT SPORTING ACTIVITIES

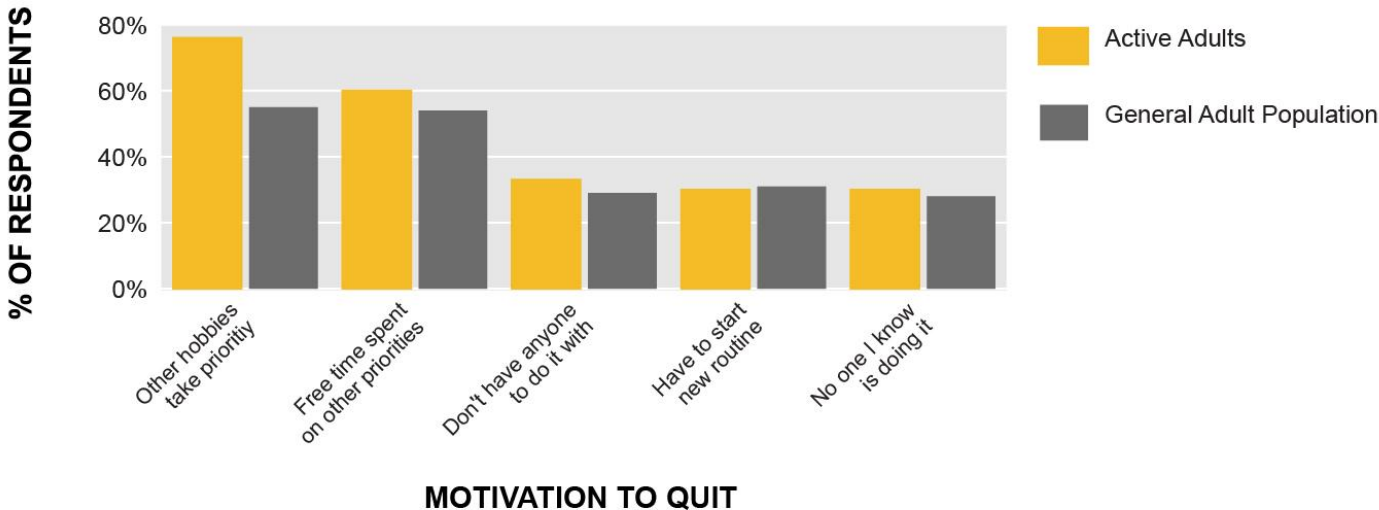
As youth transition to teens, social issues become more important with “friends” don’t play” increasing as a motivator to quit a sport.

WHY TEENS QUIT SPORTING ACTIVITIES

As teens move into adulthood, life's pressures become more of a motivator to quit sports.

- Active adults (age 18-24) are pressured by cost and other priorities - 67% quit due to other priorities, and 43% quit because it became too expensive
- General population adults (age 18-24) are also pressured by other priorities and cost - 68% and 62% respectively – as key motivators to quit sports
- Active adults ages 25-34 and 35-44 quit sports as well during the career / family / kid years with 79% and 80% respectively quitting due to other priorities, and this phenomenon also holds true for the general population as well

WHY ADULTS QUIT SPORTING ACTIVITIES

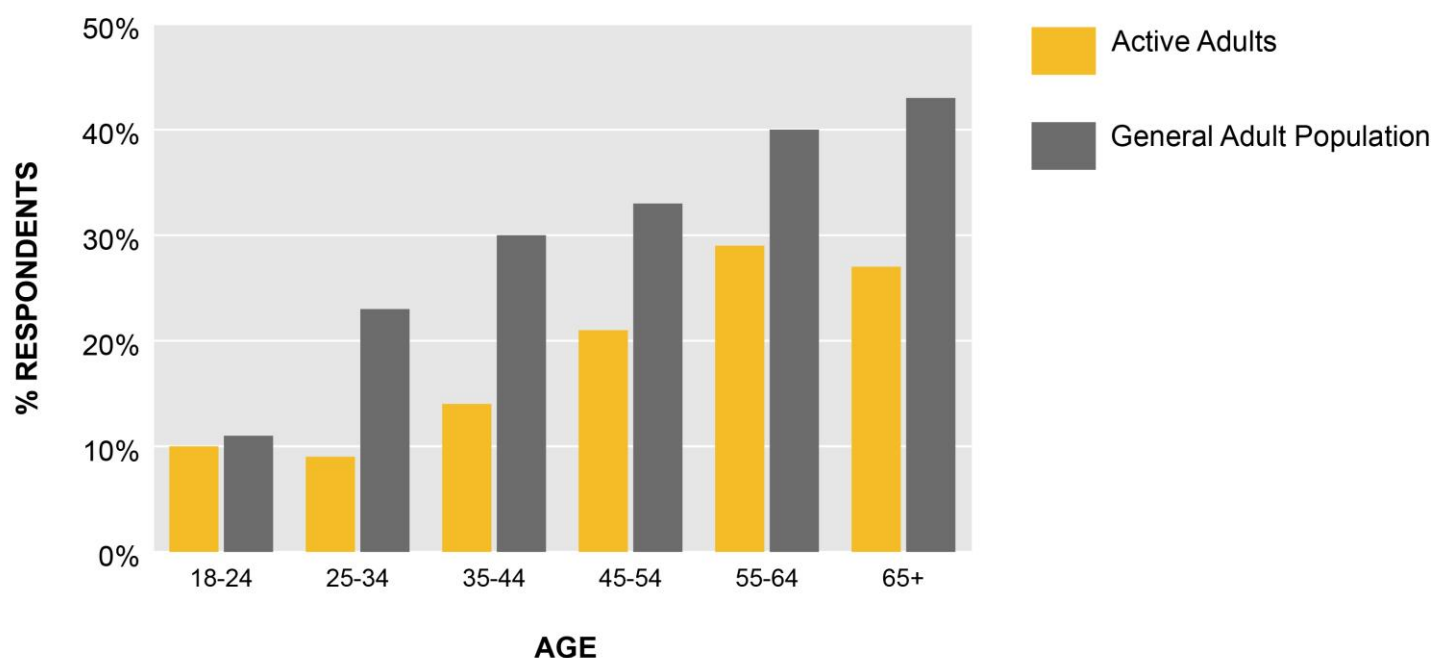


However, for the general population, health issues become a much greater blocker to sports participation as their age increases.

As both active and general population participants start life as adults, the motivator “health issues” as a reason to quit is fairly even among 18 – 24 year olds. However, over time, active participants appear to be in better general health, with lower motivations around “health concerns” compared to their general population counterparts.

The gap between active and general population participants widens with age, indicating that overcoming this blocker becomes increasingly difficult over time.

ADULTS WHO QUIT SPORTING ACTIVITIES DUE TO HEALTH ISSUES



Implications

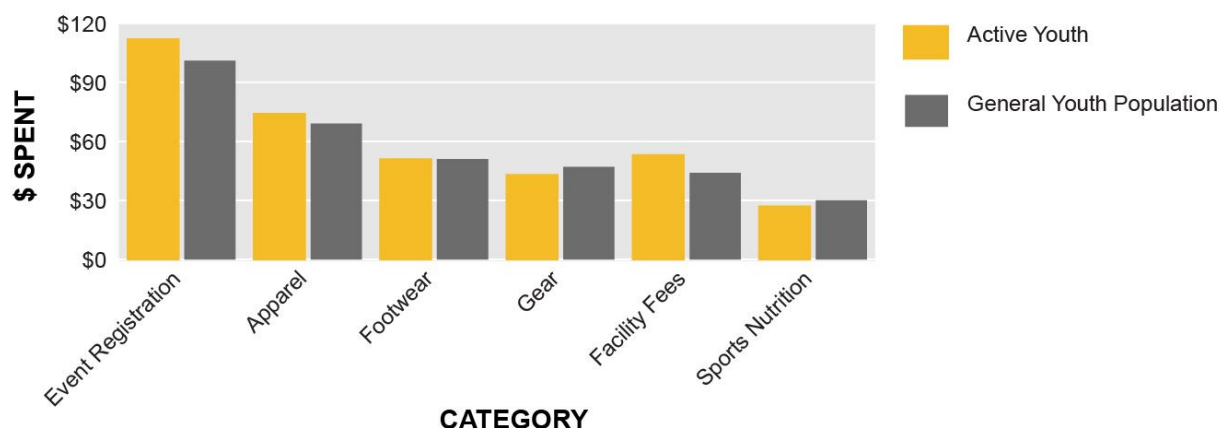
As business and community leaders (and parents) we need to do everything in our power to keep our kids active and build a love of sport and activity. Our kids should look at sports and exercise as part of their DNA – something they love and cannot imagine quitting.

How are youth sports organizations encouraging on-going participation? What are sports facilities doing to make themselves fun and welcoming to participants of all levels? What can we do at the national governing body level to ensure that we prevent kids from dropping out and keep them in sports and activities?

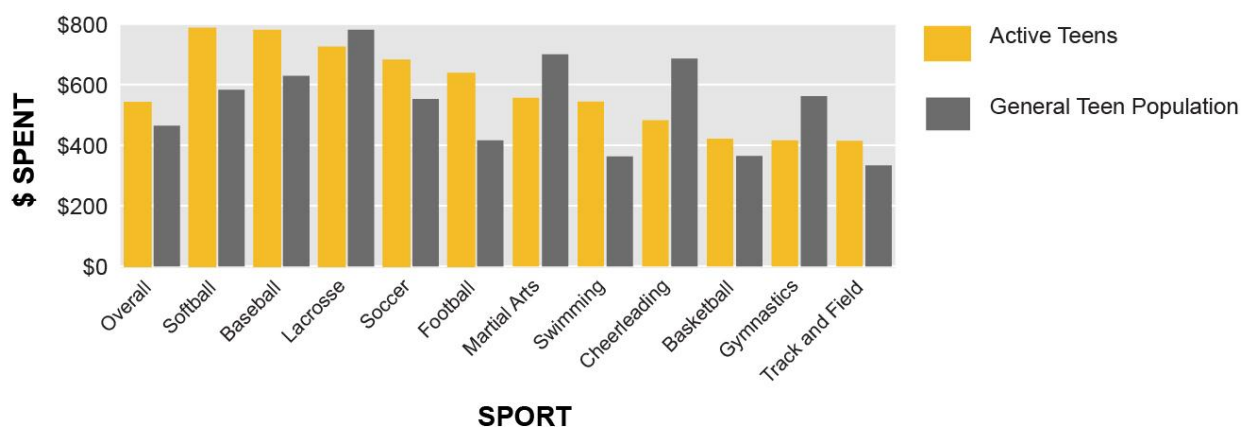
Hey big spenders!

When it comes to spending levels, youth and teens who are sports participants spend at comparable (and at times, higher) levels as their adult counterparts.

Youth category spending is highest around the cost of registering for events/leagues – with an average annual spend of \$125 for active youth participants, and \$115 for general population participants. Apparel spending is actually higher for youth participants than adults!

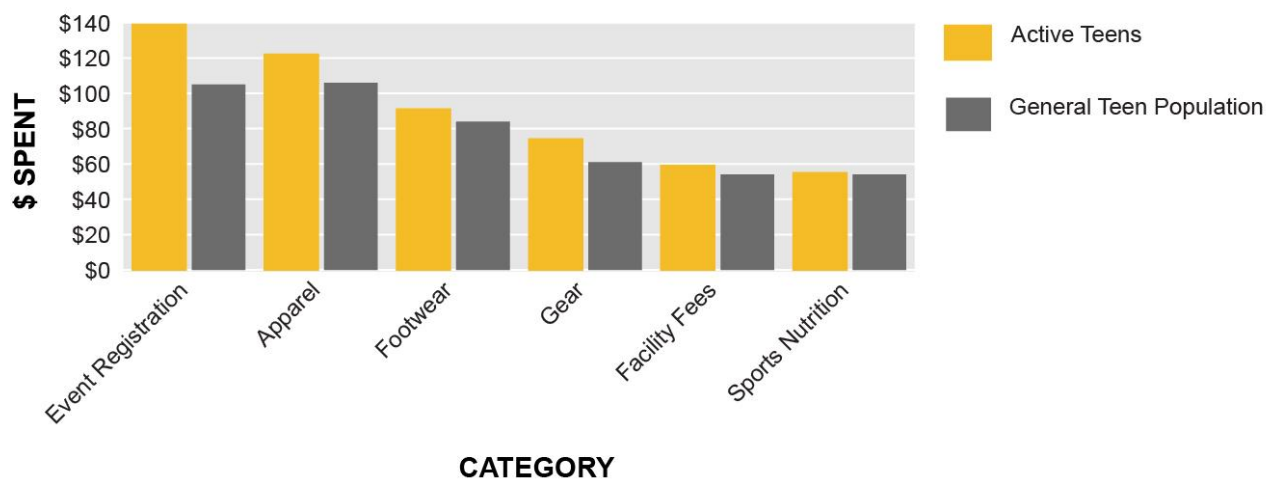
YOUTH ANNUAL SPENDING BY CATEGORY

For youth sports, gymnastics and martial arts lead total annual spending with both active and general population participants spending nearly \$1,000 annually to participate in these sports.

YOUTH ANNUAL SPENDING BY SPORT

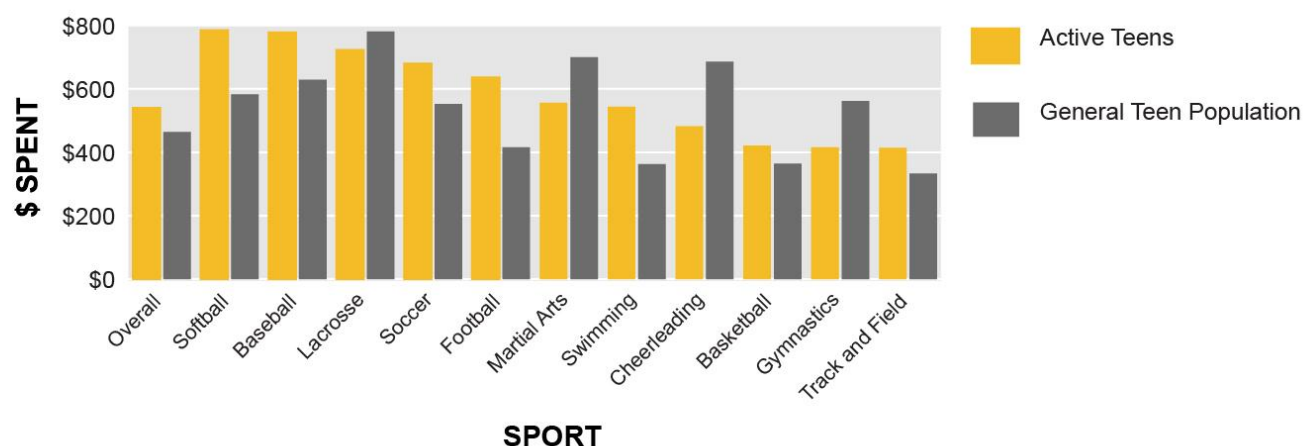
As youth move into teen years, apparel, footwear, gear and nutrition increase – with apparel and footwear spending comparable to adult levels.

TEEN ANNUAL SPENDING BY CATEGORY



Team sport annual spending increases – reaching the levels of gymnastics and martial arts spending during youth years – with active participant spending outpacing general population spending in the team sports categories (including baseball, basketball, football, soccer, softball, swimming and track and field). These spending levels may imply a higher level of competitiveness among active participants, as competitive leagues traditionally cost more than recreational leagues.

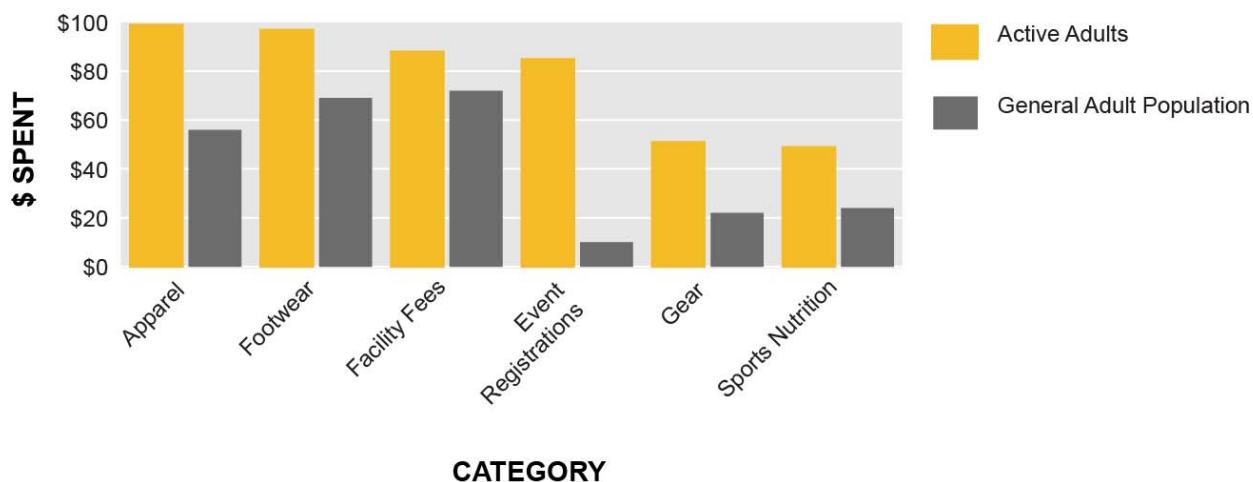
TEEN ANNUAL SPENDING BY SPORT



As fun departs in adulthood, so does spending on gear for their sports participation. On average, the general population spends under \$60 annually on apparel, less than \$80 on footwear, around \$20 on gear, under \$30 on sports nutrition and on average, \$10 annually on event registration.

Adults aren't committing their pocketbooks to actual participation - Youth spending on event registration and facility fees is 20% greater than spending on apparel and footwear combined. Adult spending is the opposite. This report shows that while the adult apparel and footwear markets are the largest single categories in terms of dollars, it isn't translating to more active adults in this country.

ADULT ANNUAL SPENDING BY CATEGORY



However, active adult participants, who are more active in organized sporting events, are spending much higher levels on apparel, gear and more to support their participation. The biggest spenders are triathletes (approximately \$1,600 annually), followed by runners (approximate \$930 annually), road cyclists (approximately \$770 annually), boxing/mixed martial arts (\$550 annually) and adult team sports (approximately \$470 annually).

Implications

Encouraging sports and activity participation is not only good for us – it's good business. From the data we see that when participants are committed to a sport or activity, they are willing to spend on that activity, helping small and large business owners and ultimately local economies. Let's get America active and participating – it's good for all of us!

**FOR MORE INFORMATION ABOUT THE GRASSROOTS SPORTS
PARTICIPATION STUDY**

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