2011 Tracking the Fitness Movement Report
the annual review of fitness participation in america

Sporting Goods Manufacturers Association

AFIRM
Association of Fitness Industry Retailers & Manufacturers
Table of Contents
1  Research Methodology ................................................................. 3
2  To Our Readers ....................................................................... 5
3  Fitness Insights-Aerobic Activities ............................................. 8
4  Fitness Insights-Conditioning Activities ...................................... 10
5  Fitness Insight-Strength Activities ............................................. 11
6  Core Fitness Participation-Aerobic Activities ......................... 12
7  Core Fitness Participation-Conditioning Activities .................... 14
8  Core Fitness Participation-Strength Activities ......................... 15
9  Special Report: Reaching Out to Generation Y: Advice from the Experts ........................................ 16
10 The Top 10 Demographic Market Areas (DMA) For Specific Types of Fitness Activities .............................................................. 19
11 In-depth Review of Select Fitness Segments ............................ 21
   11.1 Active Americans ............................................................. 21
   11.2 Health Club Trends ......................................................... 27
   11.3 Active Generations ......................................................... 27
   11.4 Newly Active Americans .................................................. 29
   11.5 Group Exercise/Fitness Classes ......................................... 32
   11.6 Inactive and Formerly Active Americans ......................... 33
   11.7 Self-Rating of Health and Fitness ....................................... 36
12 Manufacturers’ Sale of Fitness Equipment ............................... 38
Source: 2011 SGMA Manufactures Sales by Category Report .......... 39
13 DATA BANK 2011: DEMOGRAPHIC PROFILES OF FITNESS PARTICIPANTS ............... 40
1 RESEARCH METHODOLOGY

Research by SGMA Research/Sports Marketing Surveys USA
Unless the source is otherwise identified, all participation statistics are from studies conducted in early 2011 under the guidance of The Physical Activity Council and The Sporting Goods Manufacturers Association, (SGMA), plus five other sports industry associations, by Sports Marketing Surveys of Jupiter, FL. In addition to the SGMA, the National Golf Foundation, the Outdoor Foundation, the Tennis Industry Association, International Health, Racquet & Sportsclub Association and SnowSports Industries America also participated. All other data is attributable to the SGMA/Sports Marketing Surveys research partnership.

New survey, new methodology
The survey was conducted online. This allows for improved accuracy, broadens the scope of the study, increases the ability of users to analyze the data and permits additional follow-up research with key groups, such as core participants or those who had recently taken up or abandoned a given sport.

Special thanks
Special thanks to the following for their contributions: to Katie Rollauer for data analysis and the formatting of this report; to Patricia Amend for writing the ‘Reaching Out to Gen Y: Advice from the Experts’ section; to Todd Miller, Jill Kinney, and Karen Jashinsky for their insight into the Generation Y fitness market; and to Ellen Yeh and Brandon Mason for additional support with data format. And finally, a big thank you to Lauren Wallace at the SGMA for her tireless pursuit of excellence.

Core participants
There is a strong focus in this report on “core” participants, who represent the key market for purchases of equipment, services and user fees. Core participants are identified statistically by the number of times they participate in a given activity. The frequency of participation varies from sport to sport. In fitness activities, a core participant is someone who participates at least 50 times a year. Unless otherwise noted, the data used in this report represents core levels of participation.

Understanding participant rates
To provide users with a better understanding of their markets, all participants in each sport are divided into three groups: casual, regular and frequent. From these, a combined group, called core participants, is defined. Core participants = regular + frequent participants. Those wishing to discover more about the habits and attitudes of these groups should contact Neil Schwartz, SGMA Research/Sports Marketing Surveys at (561) 427-0647 or neil.schwartz@sportsmarketingsurveysusa.com.
Sample specification
During January 2011 and early February 2011 a total of 38,742 online interviews were carried out with a nationwide sample of individuals and households from the U.S. Online Panel operated by Synovate. A total of 15,086 individual and 23,656 household surveys were completed. The total panel has over 1 million members and is representative of the general U.S. population. Over sampling of ethnic groups took place to boost response, as these groups typically under respond. A weighting technique was used to balance the data to reflect the total U.S. population ages six and above. The following data points were used: gender, age, income, household size, region and population density. The total population figure used represents 283,743,000 people ages six and above. We’ve shown the numbers in three frequency groups: casual, regular, and frequent.

The 2010 participation survey sample size of 38,700 plus completed interviews provides a high degree of statistical accuracy. All surveys are subject to some level of standard error—that is, the degree to which the results might differ from those obtained by a complete census of every person in the U.S. A sport with a participation rate of 5% of the total population has a confidence interval of plus or minus 0.21 percentage points at the 95% confidence level. This translates to plus or minus 4% of participants. Small sports, especially those with less than 1 million participants, can be expected to fluctuate from year to year. For some of these small sports we have adopted a rolling average approach to maximize the sample size.
Welcome to this year’s “Tracking the Fitness Movement Report.” This represents SGMA/AFIRM’s annual review and analysis of fitness participation trends and their impact on the fitness equipment industry, and we’re pleased to announce good news on both fronts. Overall participation and sales have grown in the past year. The recession hurt this industry but it is bouncing back. New products and fitness activities are energizing the market. IHRSA is reporting growth in health club memberships. Major retailers such as Best Buy are stocking fitness products, reflecting the integration of fitness, technology and lifestyle. This is good news. To be sure, sales have not universally returned to pre-recession levels, but the foundations for fitness industry growth are sound. In 2010, 12 of the top 20 sports and recreation activities in the United States were fitness-oriented. Fitness activities with the largest growth rates were running/jogging, elliptical motion training, aerobics and free weights.

<table>
<thead>
<tr>
<th>Top 20 Participation Activities</th>
<th>2010</th>
<th>1 yr change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking for Fitness</td>
<td>114,068</td>
<td>3.60%</td>
</tr>
<tr>
<td>Bowling</td>
<td>55,877</td>
<td>-2.50%</td>
</tr>
<tr>
<td>Treadmill</td>
<td>53,131</td>
<td>3.30%</td>
</tr>
<tr>
<td>Running/Jogging</td>
<td>49,408</td>
<td>12.60%</td>
</tr>
<tr>
<td>Free Weights (Hand Weights)</td>
<td>45,922</td>
<td>0.00%</td>
</tr>
<tr>
<td>Billiards/Pool</td>
<td>39,385</td>
<td>-8.40%</td>
</tr>
<tr>
<td>Bicycling (Road/Paved Surface)</td>
<td>39,320</td>
<td>-2.00%</td>
</tr>
<tr>
<td>Fishing (Freshwater/Other)</td>
<td>38,860</td>
<td>-5.10%</td>
</tr>
<tr>
<td>Weight/Resistance Machines</td>
<td>38,618</td>
<td>-2.90%</td>
</tr>
<tr>
<td>Free Weights (Barbells)</td>
<td>37,388</td>
<td>4.60%</td>
</tr>
<tr>
<td>Stretching</td>
<td>35,129</td>
<td>-3.30%</td>
</tr>
<tr>
<td>Hiking (Day)</td>
<td>32,496</td>
<td>-0.20%</td>
</tr>
<tr>
<td>Camping (Within 1/4 Mile of Vehicle/Home)</td>
<td>30,996</td>
<td>-9.70%</td>
</tr>
<tr>
<td>Elliptical Motion Trainer</td>
<td>28,117</td>
<td>6.00%</td>
</tr>
<tr>
<td>Free Weights (Barbells)</td>
<td>27,339</td>
<td>1.10%</td>
</tr>
<tr>
<td>Aerobics (Low-Impact)</td>
<td>27,177</td>
<td>5.80%</td>
</tr>
<tr>
<td>Basketball</td>
<td>26,304</td>
<td>9.60%</td>
</tr>
<tr>
<td>Golf (9/18 Hole Course)</td>
<td>25,646</td>
<td>-5.40%</td>
</tr>
<tr>
<td>Stationary Cycling (Upright)</td>
<td>24,627</td>
<td>0.40%</td>
</tr>
<tr>
<td>Home Gym Exercise</td>
<td>24,581</td>
<td>-0.70%</td>
</tr>
</tbody>
</table>

Source: 2011 Physical Activity Council
More than 75% of Americans reported they participated in some type of fitness activity in 2010. We believe the fitness industry responded aggressively to consumer’s needs. The entire industry will need to remain attentive and tuned in to changing consumer needs for us to continue to grow. To explore these activities further, this report will drill down within fitness segments, industry sales and demographic indicators.

We are very proud to launch a new feature in this year’s report. Starting on Page 16, we host a virtual roundtable where noted experts examine the special needs and opportunities presented by Generation Y, namely those individuals born between 1980 through 1999. Clearly this generation is influenced by use of social media unlike any other in history. Additionally, our research suggests Gen Y may want to participate in fitness activities in way different from their predecessors. Please make sure to read this special report discussing how Gen Y thinks about and is motivated to participate in fitness.

One major concern for the SGMA is the growing number of people in America that are truly “inactive,” meaning they self reported that did not participate in any fitness activity or sport during the past 12 months. There are specific data points we’ve uncovered that scream for attention as we, and so many more in our society, re-commit to reducing the alarming rates of obesity in this country. Most troubling is that inactivity rates amongst young people have increased over the past three years. The SGMA believes the childhood obesity crisis could be demonstrably and sustainably addressed by a nationwide focus on increasing physical activity rates. Obviously many others, from the First Lady and the Let’s Move Initiative to the medical community, are on board. We believe the fitness industry can be a catalyst for change in this regard.

We fervently believe that getting Americans active, especially our younger people, will pay societal benefits including but not limited to healthcare savings, increased productivity, higher academic performance and overall improvements in quality of life. The SGMA and its partner organizations are committed to the cause of getting people of all ages more active.
2011 TRENDS IN TEAM SPORTS REPORT

SOON TO BE RELEASED - U.S. Trends in Team Sports Report
FREE FOR SGMA MEMBERS
This report not only reveals the most recent data and statistics on team sports, but provides valuable information to help you predict future trends and opportunities for growing your business!

Knowledge is power and when it comes to Team Sports, the SGMA puts the power of information right into your hands with this valuable report

DID YOU KNOW THAT...

• After 2 years of negative participation growth for more mainstream team sports, like baseball, basketball, tackle football, soccer, in 2010 the industry saw a turn around in participation rates.

• In 2010, lacrosse and other niche team sports like rugby and beach volleyball experienced strong growth. Lacrosse grew the most with 33% among the core participants.

• Due to the limited availability of indoor facilities and the 2 years of growth that indoor sports have experienced, like soccer and ice hockey, increased participation in these indoor sports have cooled off.

Learn more about this information and more in our 2011 Trends in Team Sports Report!

REPORT COMING THIS JULY!
www.sgma.com/reports

This report and more can be ordered at www.sgma.com/research.
For more information about our SGMA Research contact Neil Schwartz neil.schwartz@sportsmarketingsurveysusa.com or 561.427.0647.
The 2011 SGMA Tracking the Fitness Movement Report

SGMA Research, powered by Sports Marketing Surveys is the sole provider of marketing research and analysis for the Sporting Goods Manufacturers Association (SGMA). This partnership places SMS at the forefront when it comes to marketing research for all things sport, sports participation and current trends in sports. Sports Marketing Surveys USA has been in business since 1985, providing quantitative and qualitative marketing research and information for many of the leading manufacturers and retailers in the sports products industry.

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$495
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