SGB WEEKLY

ISSUE 1335
SEPTEMBER 9, 2013

The Weekly Digital Magazine for the Sporting Goods Industry


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THE WEEKLY DIGITAL MAGAZINE FOR THE SPORTING GOODS INDUSTRY

MAKING NEWS

FEATURES

NFL AVOIDS COSTLY LITIGATION IN PLAYER CONCUSSION SUIT SETTLEMENT

The NFL and more than 4,500 former players reached a tentative $765 million settlement in concussion-related lawsuits that would fund medical exams and research as well as provide compensation for ex-players who are suffering from the debilitating effects of concussions.

Senior U.S. District Judge Anita Brody in Philadelphia announced the proposed settlement on August 29 after months of court-ordered mediation. She still must approve it at a later date. The concussion-related injuries suit has been in mediation since July. It came just days before the start of the 2013 season.

The plaintiffs include at least 10 members of the Pro Football Hall of Fame, including former Dallas Cowboys running back Tony Dorsett. They also include Super Bowl-winning quarterback Jim McMahon and the family of Pro Bowl linebacker Junior Seau, who committed suicide last year.

Former U.S. District Judge Layn Phillips, the court-appointed mediator who helped forge the deal, said in a statement that a trial would have been costly, long and difficult to address on a case-by-case basis with the outcome uncertain for either side.

There will be a fund of $675 million to compensate former players or their families who have suffered cognitive injury such as dementia, ALS and Alzheimer's disease with $75 million more for basic medical exams. Other money will go to research and legal expenses.

Under its terms, the NFL made no admission of liability, deficiency on the part of the NFL or that playing American football caused the injuries. The NFL would pay half of the settlement over three years and the other half over the following 17 years.


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NEWS

BY THE NUMBERS

+9.1%

Genesco, Inc. slashed its profit outlook for the year after experiencing a drop-off in second quarter sales and seeing the sluggish trend continuing in August. Genesco cut its full-year profit forecast to a range of $5.20 to $5.30 a share, down from $5.57 to $5.67 previously. Analysts on average were expecting a profit of $5.63 per share. Adjusted for the non-recurring items in both periods, earnings from continuing operations in the second quarter rose 9.1 percent to $13.2 million, or 56 cents a share. Wall Street's consensus estimate was 60 cents a share.

+104.2%

Shoe Carnival reported second-quarter earnings that doubled year-ago results but followed several other retailers in issuing a cautious outlook for the current quarter. Earnings jumped 104.2 percent in the second quarter, to $5.8 million, or 29 cents a share, hitting the high end of its guidance calling for EPS in the range of 26 to 30 cents. Sales climbed 18.8 percent in the quarter to $216.4 million, benefiting from the one-week shift in the calendar due to fiscal 2012 being a 53- week year. Comparable store sales increased 2.6 percent, just under expectations.

$883 MILLION

Billabong International, Ltd. reported a net loss after taxes of A$859.5 million ($883 mm) for the year ended June 30, after writing down the value of five of its brands (Billabong, Element, Palmers Surf, Beachculture and Amazon) to nil. Billabong also reduced the value of Tigerlily and Dakine by 31.4 percent and 16.7 percent respectively. The values of Von Zipper, Kustom, and Honolua Surf Company were unchanged, while Xcel, Sector 9 and RVCA appreciated in value.

+6.8%

Brown Shoe Co., the parent of Famous Footwear, reported earnings before special items more than doubled in the fiscal second quarter ended August 3, exceeding internal expectations. With comps up 6.8 percent, Famous Footwear delivered a record second quarter sales operating profit. Its wholesale platforms - Healthy Living and Contemporary Fashion - reported double-digit increases in sales. Looking ahead, Brown Shoe increased its adjusted EPS guidance to $1.27 to $1.32, up from guidance of $1.22 to $1.29 previously. At the high end of the guidance, earnings are expected to rise 17 percent over 2012 results.

JERRY STRITZKE NAMED PRESIDENT AND CEO OF REI

"We are extremely pleased to have attracted an executive of Jerry's ability to lead REI forward."

- REI's Board Chair John Hamlin

Recreational Equipment, Inc. (REI) named Jerry Stritzke as the company's president and CEO following an extensive national search. Stritzke most recently served as president and COO for Coach, Inc., the manufacturer and retailer of handbags and other accessories. REI said Stritzke brings to the company "deep experience in retail operations, the building of lifestyle brands and all aspects of product development and the product supply chain."

"REI's board set high standards in pursuing the company's next CEO," said Board Chair John Hamlin. "Jerry brings to REI an outstanding record of success in all aspects of specialty retail, particularly brand building, operations, and customer insights. He possesses strategic vision, he knows how to foster a high-performing executive team, and he has proven skills in navigating the disruptive forces that have become the norm in today's business world. We are extremely pleased to have attracted an executive of Jerry's ability to lead REI forward."

Coach recently announced Stritzke's resignation, effective September 2, 2013. Stritzke joined Coach in 2008 and helped guide the company through the recession and increase sales from $2.6 to $5.1 billion. The company's sales include global revenues from retail, e-commerce, and wholesale divisions. Prior to joining Coach, Stritzke had an eight-year career with Limited Brands, Inc.

In addition to his executive experience, Stritzke has served on the board of apparel company Lululemon Atheletica for the past 14 months.

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SIA SNOW SPORTS PARTICIPATION STUDY

Now in its sixth year, the national snow sports survey reveals change and opportunity.

By Aaron H. Bible

SnowSports Industries America (SIA) released its 2013 Snow Sports Participant Study last month that provides its members and other industry stakeholders such as ski area managers a comprehensive look into the previous season's snow sports participants across six disciplines.

According to SIA's Director of Research Kelly Davis, the participation report has been created annually since the 2007/2008 season, requiring more than 100 person-hours to produce the completed report once data has been collected.

The report covers alpine skiers, snowboarders, cross country skiers, freeskiers, telemark skiers and snowshoers, and provides a detailed account of what they did on and off the mountain during the 2012/2013 season.

SIA works with its Physical Activity Council partners to conduct more than 42,000 surveys of American households on their sports and leisure activities to create this study.

"The survey work is a very extensive process. During January and February 2013, a total of 42,356 online interviews were carried out with a nationwide sample of individuals and households from the U.S. Online Panel of over one million people operated by Synovate/IPSOS. A total of 15,770 individual and 26,593 household surveys were completed. The total panel is maintained to be representative of the U.S. population for people ages six and older. Over-sampling of ethnic groups took place to boost response from typically under responding groups," Davis said. "The sample size of 42,356 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 five percent has a confidence interval of plus or minus 0.21 percentage points at the 95 percent confidence level. This translates to plus or minus four percent of participants."

SIA notes a late start to the 2012/2013 season affecting all snow sports participation except freeski and telemark, which both finished the season with more participants than previous years; and according to SIA's Davis, are two categories (freeskiing and backcountry skiing/riding) experiencing obvious growth within the industry.

Ultimately, overall snow sports participation was down 3 percent last season to 19.3 million participants across all disciplines. Alpine ski had a 19 percent drop in participation but still brought the most players to the mountain with 8.2 million, followed by snowboard with 7.4 million, freeski with 5.4 million, snowshoe with 4 million, cross country with 3.3 million and telemark with 2.8 million participants.

However, Davis said a closer look at the data is warranted. "The number of downhill skiers who are defining themselves as 'freeskiers' is increasing quickly. We will be watching for other indicators of the freeski trend this season and looking for more data to determine how this trend will impact the market. Just because a survey respondent says they're a freeskier doesn't mean they're spending all their time in the park and pipe," she explained. "We are seeing indications of a culture shift among younger skiers. Freeski may be a cultural identity that younger skiers are gravitating toward and

could include not only equipment choices but apparel, accessories, and other accoutrements of a budding freeski culture. We will keep our eyes on a variety of data to determine if that's happening, to what degree, and how the market can foster it and benefit from increased participation and sales."

The total number of downhill skiers (freeski and alpine combined) dropped slightly from 11.4 to 11.3 million last season - but those that said they are "alpine skiers" dropped 19 percent while the number who claimed to be freeskiers jumped 47 percent, according to Davis.

"The crossover data for snow sports and 109 other sports is always fascinating. Did you know that half of snowboarders are runners?" Davis said, "And, 27 percent of snowboarders say that they also participate in martial arts. Also, more freeskiers say they surf (18 percent) than snowboarders (13 percent), but it works out to about the same number - a little less than around one million from freeski and one million from snowboarding that also self-identify as surfers," Davis said.

"The number of skiers and riders who are exploring backcountry terrain is rising, but most of the increase is in 'resort-backcountry/ungroomed trails' which could mean they simply chose to ski or ride through the trees down to the lift," Davis explained further. "What's most interesting in this category are the number of people who claim that they did some participating in backcountry conditions. About one in every four skiers and one in four snowboarders claimed to have at least dabbled in backcountry. We know that sales of backcountry equipment are increasing significantly, so the next question is - how do we educate these participants so that they understand the risks of backcountry participation including avalanche danger, getting lost, etc.? We formed a backcountry task force made up of some of the most iconic names and brands in backcountry skiing and riding to address the issue."

The Study offers some unique facts about this season's participants:

- Out of the 19.3 million participants, 62 percent are male and 38 percent are female;
- Alpine skiers and snowboarders make up 49 percent of all snow sports participants;
- 54 percent of snow sports participants make more than $75,000 a year;
- Telemark skiers (average 13 days) and snowboarders (average 11.3 days) participated the most this season;
- Snowshoeing is the most popular snow sport among women, representing 46 percent of snowshoers;
- Freeskiing is the most diverse snow sport, with minorities representing half of its participants;
- Walking for fitness is the most common "off the mountain" activity for snow sports participants;
- Over 39 percent of snowboarders are under the age 24;
- 74 percent of snow sports participants are homeowners;
- 43 percent of snow sports participants are very interested in the winter Olympics;
- The majority of skiers (18 percent) and snowboarders (27 percent) live in the Pacific region.

Celebrating its 60th anniversary in 2014, SIA is a non-profit member-owned trade association working year-round with North American snow sports suppliers, retailers, resorts, reps and service providers to develop products and programs for their individual and collective business needs. SIA annually hosts the industry's largest core winter sports trade show, the SIA Snow Show, along with the On-Snow Demo/Ski-Ride Fest and the Sourcing Snow supplier show. SIA also helps retailers and resorts connect with snow sports participants around the country through Snowlink.com and Wintertrails.org. ■

SFIA PARTICIPATION REPORT

Several major traditional team sports suffered participation declines in 2012, while inactivity levels in the U.S. increased.

By Fernando J. Delgado and Neil Schwartz

According to the Sports & Fitness Industry Association's (SFIA) recently released study, "2013 Sports, Fitness and Leisure Activities Topline Participation Report," several major team sports such as baseball, basketball, football and soccer suffered declines in participation between approximately 3 and 5 percent. Meanwhile, inactivity levels in the U.S. increased yet again, a troubling issue for the health of the nation as a whole, and for the sporting goods industry in particular. Among other trends, the report revealed interesting preferences for aspirational interests by non-participants, led by "Swimming for Fitness", which was the top aspirational activity among 5 of 8 surveyed age groups. In addition, the study showed that team sports spending was up a net of 4.7 percent at schools, with Pay-to-Play programs also increasing among middle schools and high schools.

The study tracked participation in over 120 sports. The Overview Report from the Physical Activity Council (PAC) was produced by a partnership of six of the major trade associations in U.S. sports, fitness and leisure industries. A total of 42,356 online interviews were carried out by Synovate/IPSOS during January and February of 2013. A total of 15,770 individual and 26,593 household surveys were completed.

Overall, the report found that participation in sports, fitness and related physical fitness activities "remained relatively steady" from 2011 to 2012. Team Sports saw a slight increase of less than one percent to 26.1 percent of individuals ages 6 and over. Fitness Sports led the way with the largest overall percentage increase, rising two percent to 61.1 percent and regaining the previous year's loss of one percent. Racquet Sports participation increased one percent to 12.8 percent, while Water Sports saw a slight increase to 12.5 percent. The findings determined that 206.7 million Americans age 6 and older were considered "active" in 2012, with an estimated 33 percent, or 94.8 million individuals, age 6 and older considered "active to a healthy level."

Among mainstream team sports, the study shows:

- Basketball was the most widely participated sport in 2012, with 23.7 million total participants ages 6 and older, down 4.4 percent from 2011 participation levels. Core participants in basketball (those playing more than 13 times a year) were down 2.1 percent from 2011 to 16.3 million. Casual participation (those playing 1 to 12 times) took a bigger hit, down 9 percent to 7.4 million Casual players.
- Baseball, the second most participated sport with nearly 13 million individuals, saw participation of ages 6 and older decline 4.3 percent, following a decline of 4.5 percent the previous year. Core participants in baseball also declined, with a 3.3 percent decrease from 2011 to a total of 9.0 million.
- Soccer follows closely behind baseball, with 12.9 million participants. The sport's participation level was also down, with a 5.3 percent decline in participants. Unlike baseball and basketball, Casual (1 to 25 times played per year) and Core (26+ times a year) participants were fairly evenly split, with 6.7 million Casual and 6.3 million

Ice Hockey was the greatest gaining team sport, with an increase in overall participation of 10.9 percent to 2.4 million.

Core participants. Casual participation was down 7.9 percent from 2011, while Core participation was down 2.3 percent.

» Tackle Football's overall participation fell 3.5 percent to 6.2 million with Core participants (26+ times a year) down 2.7 percent.
» Touch Football's overall participation dropped 5.1 percent to 7.3 million. Casual touch football participants outnumbered Core participants, with 4.0 million Casual players to 3.3 million Core players. The decline was much sharper for Casual players - down 13 percent from 2011.
» Flag Football participation declined 7.3 percent to 5.9 million.
» Lacrosse continued its increase in participation. Overall participation was up 7.1 percent to 1.6 million. Since 2008, lacrosse's overall participants have jumped 51.9 percent. Core (13+ times a year) participation increased 2.4 percent to 819,000, while Casual participation (1 to 12 times a year) increased at a much higher rate, up 12.4 percent to 788,000.
» Ice Hockey was the greatest gaining team sport, with an increase in overall participation of 10.9 percent to 2.4 million.
» Field Hockey saw strong growth, increasing 7.8 percent to 1.2 million.
» Rugby total participation rose 4.4 percent to 887,000 participants.
» Gymnastics was up 6 percent to 5.1 million participants, marking a third consecutive year of increased participation for the sport.

"A good thing about this report compared to prior reports is that we actually started tracking Generation Z, which were those born in 2000 or later, and which our industry is really interested in," said VJ Mayor, SFIA's director of marketing and communications. "This is the first year that we actually got a full sample size. We were able to break down the Baby Boomers, the Generation X-ers, Generation Y, the Millenials, and now Generation Z."

MANY TRADITIONAL TEAM SPORTS SUFFER PARTICIPATION DECLINE

Perhaps the most notable aspect of the data in the report is the decline in participation levels for several team sports that typically have the most participants, including outdoor soccer (-5.3 percent), basketball (-4.4 percent), baseball (-4.3 percent) and tackle football (-3.5 percent). Several team sports with comparatively smaller participant bases experienced growth: ice hockey, (+10.9 percent), field hockey (+7.8 percent), lacrosse (+7.1 percent), cheerleading (+6.4 percent) and gymnastics (+6.0 percent).

Baseball and tackle football have undergone a concerning downward trend in participation numbers, with a decline in total participants in each of the past six consecutive years, starting with 2007. In that year, baseball had 16 million participants and tackle football had 7.9 million participants. Those numbers were down to 13 million and 6.2 million for baseball and tackle football, respectively. In that period, both sports suffered their steepest raw numerical declines from 2008 to 2009, when participants decreased from 15.5 million to 14.4 million in baseball, and 7.8 million to 7.2 million in tackle football.

Economic factors are a likely cause for the decline seen in the traditional team sports during 2012. With athletic budgets at high schools and middle schools shrinking since the economic downturn around 2008, the cost of equipment has largely been passed on to students and their parents in the form of Pay-to-Play programs. The rise of new individual sports and growth of increasingly popular team sports such as lacrosse, rugby, roller hockey and field hockey have also drawn participants away. And with inactivity levels rising every year, less young Americans are interested in playing sports at all.

Is tackle football in trouble? Are safety concerns and concussion issues dominating news headlines negatively impacting the sport? Or has media coverage unfairly overblown the dangers of football?

"Anyone that looks at the report on paper and sees the numbers can say, 'Oh, it's because of the safety issues concerning tackle football.' But it could be a number of different things," said Mayor. "Are parents more

aware of safety concerns with tackle football? Yes, but that's not necessarily a bad thing. I think it's great for parents to know everything they can before getting their child into a sport, or knowing what the potential injuries are. But do I think that's the sole reason for the decline it's had in recent years? No. Other traditional team sports have been declining across the board."

Mayor explained that the declines experienced by tackle football, baseball and other traditional team sports can be attributed to not only more options being available to today's young athletes, but also more athletes specializing in one particular sport. "Lots of niche and individual sports are growing, and there are more activities for kids to try out now," he said. "Participants are trying out other sports, and there's more available to them than when our parents grew up playing certain sports, when it was maybe just football and soccer in the fall, basketball in the winter, and baseball in the spring. There's a lot more to it now, and there's a lot more sports available now. That's something you'll hear from football coaches. It's not so much the safety concerns – although parents are more aware of it – it's that kids are going to specialize in a particular sport when they know they're better at it. Now kids are playing one sport year-round as opposed to being a three-sport athlete."

Fitness Sports led the way with the largest overall percentage increase, rising two percent to 61.1 percent and regaining the previous year's loss of 1 percent.

CONCERNS OVER INACTIVITY

The 2013 SFIA Topline Participation Report also offered a component devoted to Inactivity Rates. The SFIA's definition of inactivity was broadened to include individuals who do not participate in any active sport, and was also expanded to include 19 sports/activities "that are categories as needing minimal to no physical exertion." Those sports and activities included darts, billiards/pool and other similar activities. By using the new definition, the study identified 80.4 million inactives, up from 78.9 million in 2011.

"One of the big things that this report always reveals is the inactivity," said SFIA's Mayor. "And this year, different than prior years, we actually included low intensity, non-contact sports like billiards and pool, and when you include those, the numbers still rose. That's surprising, because you'd think that inactivity rates would decrease [with those extra activities being counted]. That's a really telling sign."

The report showed that 28 percent of all Americans were inactive in 2012. In 2007, 25.5 percent all Americans were inactive, totaling 70.5 million people. Since then, inactivity has increased 2.5 percent overall, representing 9.9 million Americans. Even though the rate of increase in 2012 - +0.4 percent from 2011 - slowed from the previous year, it still marked the sixth consecutive year of increased inactive Americans. "Even though the levels of inactivity continue to rise, the rate is slowing down," said the report (page 6 of 2013 SFIA Topline Participation Report).

However, Jim Baugh, president at Jim Baugh Consulting and Founder of PHIT America, warns against reading too much into the slowed inactivity rate increase. PHIT America is the year-round social media and marketing campaign promoting an "Active, Fit and Healthy America" by educating Americans. As the leader of the advocacy group's administration and overall operations, Baugh is a leading expert when it comes to sports and fitness participation rates and the ramifications of inactivity.

He believes that the inactivity issue is a serious problem for the future of the country, as well as for the sporting goods industry. "It doesn't come out strong in the report, but inactivity is a pandemic," Baugh said. "If you dig into the numbers, you'll see several alarm bells. Number one is the percentage of Americans that are doing nothing – not one thing through 104 sports and activities that the study tracks. There are 80 million Americans doing nothing, being total coach potatoes in the past year. The second alarm is that, other than the senior category, all the age categories are increasing inactivity percentages. It's almost across the board. Youths are the future of the sports industry, and the present of the team sports business. The pandemic is growing quicker with youths. If you don't get active at young age, you have a much tougher time getting them active as adults."

"The rate of increase may be slowing, but it's still going up. The real problem here is that frequent participants are down four million participants in one year, and that's with population growth," Baugh continued. "Within our industry, we've got to be honest with the fact these trend lines have not been good. We need to come together to really work on this issue. Some people can argue that the rate is slowing, but it's still trending in the wrong direction."

Could the inclusion of the 19 new sports requiring minimal to no physical exertion account for the slowing in the inactivity rate? "That's one possible explanation, but a larger part of it could be that programs are actually starting to work, like anti-obesity programs, the NFL Play 60, or the NBA FIT programs, are starting to work on a grassroots level to a certain extent," said SFIA's Mayor. "Does it mean it's solved? No. But it's something to go off of and with the industry backing PHIT America, it's not surprising for me to see this plateau because you see the issue on the forefront of peoples' minds." ■

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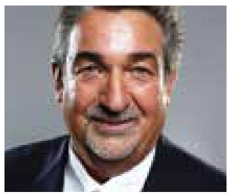

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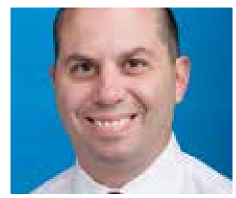

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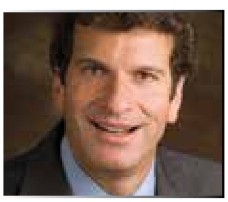

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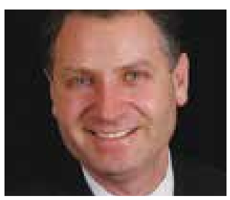

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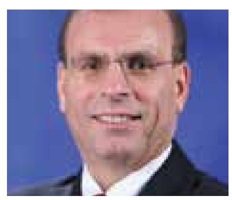

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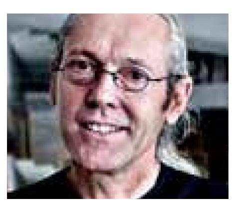

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NSGA SPORTS PARTICIPATION REPORT

While some sports showed worrisome declines, the NSGA Participation Report was encouraging. Of the 47 sports and activities traced in the report, 32 experienced participation growth in 2012.

By Thomas J. Ryan and Neil Schwartz

Snow sports, clearly impacted by warm weather last year, saw the steepest decline in 2012, with participation dropping an average of 11 percent. Skiing (Alpine) dropped 12.3 percent to 6 million while snowboarding participants tumbled 16.8 percent, to 4.3 million.

Warmer-weather outside activities appeared to get a boost, with hiking expanding to 42.2 million participants from 39.1 million in 2011 and 37.7 million in 2010. Camping (vacation/overnight) bounced back, with participation rising 5.5 percent to 45.2 million. Cycling saw a modest gain, up 0.4 percent to 39.3 million, although mountain biking continued its recent erosion. Kayaking and fishing also enjoyed more action.

Running/jogging continued its strong and steady growth rate, rising 3.5 percent to 40 million participants and is now ahead 24.3 percent since 2009.

Shooting sports were mixed but sports with firearms drove overall average increases to more than 3 percent. Overall, participation in hunting with firearms increased more than 18 percent, even more sharply among females (up nearly 29 percent compared to 2011). Target shooting with live ammunition showed a 10.9 percent increase, with female participation increasing by over 27 percent.

In Team Sports, participation lagged modestly in basketball (down 1.9 percent to 25.6 million participants), soccer (down 1.8 percent to 13.7 million), baseball (off 1.8 percent to 12.1 million), and ice hockey (losing 3.2 percent to 2,900).

Lacrosse saw a more modest gain than recent years, rising 1.1 percent to 2.7 million participants. Other team

sports showing gains were softball, to 10.49 million from 10.38 million; and volleyball, up to 10.25 million from 10.08 million.

The largest drop in team sports took place in tackle football, which experienced a nearly 13 percent decline in participation since 2011. More than one-half of the decline was within the 7 to 11 age group, and all of the decline in that age group was from the infrequent (2 to 9 times) and occasional (10 to 49 times) participants. There was an increase in frequent (50+ times) participants aged 7 to 11.

Indoor gaming activities increased by an average of 11 percent, with larger participation gains in billiards/pool, dart throwing, and ping-pong. Fitness sports each increased about 5 percent. Aerobic exercising participation grew 6.8 percent; yoga, 6.3 percent; and exercising with equipment, 3.8 percent.

Probably the most encouraging trend overall is that much of the participation growth across activities was driven by girls and women, with 40 of the 47 sports/activities having increased female participation, compared to only 11 showing increased male participation.

Bruce Hammond, NSGA's director of marketing and communications, pointed out that the differences between NSGA's report and those from other industry associations primarily relate to how participation is defined. In NSGA's participation report, for instance, participation for most of the sports/activities is defined as having participated at least twice during the year. For aerobic exercising, bicycle riding, exercise walking, exercising with equipment, running/jogging, swimming and weightlifting, however, it is based on six or more times during the year. The study also captures participants who are 7 years of age and older.

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Specifically around team sports, NSGA's numbers also take into account recreational activity as well. Said Hammond, "For example, if a father goes out and shoots baskets in his driveway a few times per year during the holidays, that person is a basketball participant."

NSGA also recognizes that it's important for decision-makers to utilize multiple reports as they make their decisions for the year, and not just one. Hammond added, "We've found over the years that many of the leaders in our industry do rely on multiple sources of data in their decision-making, which makes sense to us."

As part of the report, NSGA probed those who admitted to playing fewer team sports than in the past, noted Dustin Dobrin, NSGA's director of research and information. Asked why they're playing less team sports, researchers found not surprisingly "lack of time" to be the number one reason. The second answer provided was "fewer perceived opportunities," and that was heard more from older teens.

The third reason given was that they just didn't "like" the team sport, although that ranked as the number one response for 7 to 17 year olds. However, NSGA researchers felt this answer needed more exploration since a number of reasons, such as issues with teammates or coaches, time pressures, or committing more to another team sport, could lead to such an answer.

Encouragingly, the expenses required to play a team sport came in fourth. Dobrin said that while it's often heard as a reason for not playing during recessionary periods, it doesn't currently seem to be as much of a barrier. Combined with participation in many sports and activities on the uptrend and the strength in women participation, NSGA is encouraged about further gains in the current year. Said Dobrin, "I would obviously expect as the economy hopefully continues to get better, then participation should continue to increase for many of these sports and activities." ■

OIA OUTDOOR PARTICIPATION REPORT

Participation in outdoor activities now hovers near 50 percent, propped up by Running as well as sheer Population Growth in 2012

By Charlie Lunan

Population growth ensured the number of Americans who participated in outdoor recreation grew by 800,000 in 2012, even as the percentage rate remained flat with the prior year, according to the seventh annual Outdoor Participation Report published by The Outdoor Foundation established by the Outdoor Industry Association (OIA).

The report estimates that in 2012, 141.9 million Americans participated in outdoor recreation, or 49.4 percent of the population – the same level reported for 2011. The 64-page report is based on responses gathered in January and February of 2013 from 42,363 online surveys. Any person 6 years or older reported to have participated at least once in any of 42 outdoor activities during the year was counted as a participant.

The report is published by The Outdoor Foundation, which was established by the Outdoor Industry Association (OIA) to "inspire and grow future generations of outdoor enthusiasts." This year's report revealed uneven progress toward that goal. For instance, it estimates that while participation rates among young children (6 to 12) and young adults (18 to 24) remained steady at 63 and 57 percent in 2012, they dropped two points to 60 percent among teens.

The decline was driven by a six-point decline in the participation rate of teenage girls (13 to 17), which reached a six-year low of 51 percent. That more than offset a one-point gain in participation among adolescent boys, where the rate reached a five-year high of 69 percent.

Rates for young girls and young women, meanwhile, each rose 2 points to 60 and 58 percent respectively. Also encouraging was news that those who did participate in the 6 to 17-age bracket went on an average of 92 outings in 2012, up from 81 in 2011. Average outings rose by 18 to110 for the 18-to-24-year-old cohort. Another piece of good news was that 13 million Americans started or resumed participating in outdoor activities in 2012 compared with 12 million who stopped, which translates to a positive churn rate of 6.8 percent.

Much of the growth, however, appears to be coming from running, rather than more traditional outdoor activities such as hiking, paddling or climbing, which explains why retailers such as MEC and REI and brands such as Merrell and The North Face have broadened their selection of running gear in recent years. Running, including jogging and trail running, gained 1.7 million participants from 2011 to 2012 and accounted for 37.1 percent of 12.4 billion outings, which increased 7.8 percent from 2011. It also remained the most popular outdoor activity with 53.2 million participants ahead of Freshwater/Saltwater and Fly Fishing, 46.0 million; Road Biking, Mountain Biking and BMX, 42.3 million; Car, Backyard and RV Camping, 38 million; and Hiking, 34.5 million.

The five fastest growing activities from 2010 to 2012 were: Triathlon/Non-traditional/Off Road, up 116 percent to 1.44 million; Adventure Racing, up 99 percent to 2.17 million; Telemarking, up 87 percent to 2.77 million; Freestyle skiing, up 82 percent and Triathlon/Traditional/Road, up 81 percent to 2.18 million.

Activities with the highest percentage of first-time participants included:

- Stand Up Paddleboarding, 56 percent or 863,520;
- Boardsailing/Windsurfing, 43 percent or 661,770;
- Triathlon/Non-Traditional, 39 percent or 562,390;
- Triathlon/Traditional, 38 percent or 829,920; and
- Adventure Racing, 36 percent or 781,200

Rounding out the Top 10 were:

- Kayaking/White Water, 32 percent or 600,960;
- Kayaking/Sea, 30 percent or 733,800;
- Rafting, 28 percent or 1.03 million;
- Climbing/Sport/Indoor/Boulder, 27 percent or 1.24 million; and Climbing/Traditional/Ice/Mountaineering, 26 percent or 569,140

Other interesting data points in the report include:

- More outdoor participants bowled (15.8 percent) and played billiards (12.2 percent) in 2012 than camped (10.4 percent), played basketball (8.4 percent) golfed (7.8 percent), hunted (5.1 percent) or skied (4.1 percent);
- 3 times as many fished (47.0 mm) than hunted (14.7 mm);
- 25 percent of participants above the age of 13 are students and unemployed;
- The South Atlantic region accounts for the largest percentage of the nation's participants (18 percent) even though its 46 percent participation rate is the lowest of the nine geographic zones measured;
- Hispanics, African Americans and Asian/Pacific Islanders are more likely to use smart phones, iPods/music players, laptops and tablets while engaging in outdoor recreation than Caucasians;
- 43 percent of young adults use smartphones and 40 percent iPods/music players while engaging in outdoor recreation, compared to 4 percent who use handheld GPS devices. ■

THE GOLF REPORT

New campaign raises awareness about pace-of-play and potential solutions

By Thomas J. Ryan

Golf participation showed a slight recovery in 2012, increasing 0.8 percent to 21.1 million participants, according to the NSGA. But the gain appears largely due to warm weather, and should have been a lot higher given that rounds played jumped 5.7 percent for all of 2012, according to Golf Datatech. Overall, participation is down approximately 10 percent since 2010, according to the National Golf Foundation (NGF).

Moreover, the United States Golf Association (USGA), recognizing the still troubled trends of golf play among the young, recently launched its own national campaign to speed the pace-of-play and make golf more fun.

The slogan of the campaign is, “While we’re young!,” a one-liner delivered by the late comic Rodney Dangerfield in the 1980 movie "Caddyshack." Dangerfield's character, Al Czervik, delivers the line to Judge Elihu Smails (portrayed by the late Ted Knight) in an iconic scene from an upscale country club.

“Pace-of-play has been an issue for decades; but it has now become one of the most significant threats to the game’s health,” said Glen Nager, USGA president. “Five-hour-plus rounds of golf are incompatible with modern life. Beyond the time involved, poor pace-of-play saps the fun from the game, frustrates players and discourages future play.”

He noted that a recent study by the NGF found that 91 percent of serious golfers reported that they were bothered by slow play and said that it detracts from their golf experience. More than 70 percent said they believed that pace-of-play has worsened over time; and half admitted to walking off a course due to frustration over a marathon round.

“As these numbers demonstrate, the golf community needs to act now more than ever to address pace-of-play issues,” said Nager.

Other steps being taken to solve the issue is an ambitious project being undertaken by the USGA’s Research and Test Center to qualify what specifically impacts the pace-of-play, whether course design, course set-up and operations, as well as golfers themselves. Nager said it is “already yielding valuable information that will bring focus to the industry’s efforts to improve pace-of-play.”

Partnerships and coalitions with the R&A, PGA Tour, LPGA and others to address pace-of-play are being formed to unify the approach to speed up play. In May, Golf Digest, together with the USGA and The PGA of America, launched the Nine Is Fine initiative – a program to encourage and promote nine-hole rounds as a complete, fun golf experience.

The new campaign is expected to support the goal of aggressively raising awareness among golfers and golf facility managers about pace-of-play issues, and to provide accurate, practical information that offers potential solutions.

An all-star cast in the 30-second spots is drawing attention to the tongue-in-cheek promotion. One features Arnold Palmer uttering the “When we’re young” line to a slow-playing Clint Eastwood - adding, "please" after a menacing look from Eastwood. Kids shout the line to Tiger Woods when he takes too long on a miniature golf course.

“Ultimately, it is our hope that this campaign will help create a new golfing culture – one in which the community unites behind a common appreciation of the importance of pace-of-play to the health of the game; a true understanding of the integrated system of factors that determines pace-of-play on the golf course; and a commitment to employing best practices so that a better pace-of-play becomes integral to the game,” said Nager. “The time for this shared call to action has come; let’s fix pace-of-play ‘While We’re Young.’” ■

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TIA PARTICIPATION REPORT

Tennis participation increased overall in 2012 accounting for 70 percent of total annual tennis expenditures.

By Thomas J. Ryan and Neil Schwartz

"As an industry, we've set a goal of 10 million frequent players by 2020, which we estimate will have a nearly $4 billion economic impact on the tennis industry," said Jolyn de Boer, executive director, TIA.

De Boer said PlayTennis.com, 10 and Under Tennis and its retailer initiatives are all supporting increased play.

"The 10 and Under Tennis initiative has been huge, and has led to boosts in youth tennis participation, youth racquet sales and sales of the red, orange and green lower pressure balls," said de Boer. "With 10 and Under Tennis, kids play - and have fun - on shorter courts, with shorter racquets and lower bouncing balls."

PlayTennis.com, which the TIA manages and recently relaunched, is a central consumer portal designed to make it easier for people to play tennis, and to play more frequently. Players can search for and connect with not only other players, but also with tennis facilities, teaching pros, and retailers. Teaching pros and facilities can promote their events programming, lessons, clinics, court availability, etc.

"It's a valuable resource for anyone, at any level, looking for more information about tennis in general, including how to get into (or back into) the game, equipment, instruction and health information," said de Boer. "And, it's all free to both consumers and tennis providers."

Finally, the TIA is working with retailers on the beginning stages of a "Tennis Tune-Up" campaign, designed to bring consumers in to tennis specialty stores to buy new equipment, get their racquets restrung more frequently, and generally help move tennis products at retail. The TIA also is helping to facilitate a Retail Division, to give tennis specialty retailers a bigger voice in this industry, since local retailers can support play at the grassroots level. A Retail Certification course, designed to help educate tennis retailers and their staff so they can better reach the consumer and run their businesses as efficiently, and profitably, as possible, is also being developed.

Overall, TIA said the healthy outlook for tennis has been because all participants have unified their approaches over the years, which he considers unique among sports. She added, "Years ago all industry stakeholders realized the need to work together to grow participation, so that everyone benefits. That's a unique aspect of the TIA - we help bring all of these stakeholders together and we all work together in a spirit of cooperation to grow the game." ■

CALENDAR

For full year calendar go to sportsonesource.com/events

SEPTEMBER

16-19 Worldwide Spring Show
Reno, NV

18-19 Health & Fitness Business Expo
Las Vegas, NV

18-20 Interbike International Trade Expo
Las Vegas, NV

25-26 Sports & Fitness Industry Assoc. Industry Leaders Summit
Baltimore, MD

26-28 Imprinted Sportswear Show (ISS)
Ft Worth, TX

30-2 OIA Rendezvous
San Diego, CA

OCTOBER

10-11 The Retailing Summit
Dallas, TX

29-31 Sport Source Asia
Hong Kong

29-1 NASGW Expo
Grapevine, TX

NOVEMBER

1-3 NBS Fall Athletic Market
Austin, TX

5-7 TAG Fall/Winter Show
St. Louis, MO

15-17 A.D.A. Fall Show
San Antonio, TX

24-26 Sports Inc. Athletic Show
Las Vegas, NV

DECEMBER

2-4 EORA SE Winter Market
Asheville, NC

3-4 WWSRA NW Early Preview
Seattle, WA

3-5 MRA December Market
Lansing, MI

4-6 FFANY
New York, NY

10-11 EORA FLA Winter Market
Punta Gorda, FL

10-11 WWSRA NorCal Early Preview
TBA

11-12 Atlanta Shoe Market
Atlanta, GA

JANUARY

6-8 ATA Show
Nashville, TN

7-9 MWSRA January Show
Madison, WI

7-9 WWSRA Rocky Mtn Preview
Denver, CO

7-9 WWSRA Northwest Preview
Portland, OR

9-11 Surf Expo
Orlando, FL

13-14 WWSRA Intermountain Preview
Salt Lake City, UT

13-15 WWSRA NorCal Early Preview
Reno, NV

14-17 SHOT Show
Las Vegas, NV

15-18 NBS Winter-Specialty Market
Fort Worth, TX

16-18 Sports Licensing & Tailgate Show
Las Vegas, NV

17-19 Imprinted Sportswear Show (ISS)
Long Beach, CA

21 ORWM Demo Day
TBA

22-25 Outdoor Retailer Winter Market
Salt Lake City, UT

30-2 SIA Snow Show
Denver, CO

FEBRUARY

3-4 SIA On-Snow Demo
Copper Mountain, CO

3-4 SIA Nordic Demo
Copper Mountain, CO

5-7 FFANY
New York, NY

5-8 Sports Inc. Outdoor Show
Phoenix, AZ

6-10 NBS Semi-Annual Market
Fort Worth, TX

9-11 EORA SE February Show
Greenville, SC

10-13 Worldwide Spring Show
Reno, NV

11-13 MWSRA February Show
Madison, WI

TRADE ASSOCIATIONS | BUYING GROUPS

Athletic Dealers of America
1395 Highland Avenue
Melbourne, FL 32935
t 321.254.0091
f 321.242.7419
athleticdealersofamerica.com

National Shooting Sports Foundation
Flintlock Ridge Office Center
11 Mile Hill Road
Newtown, CT 06470
t 203.426.1320
f. 203.426.1087
nssf.org

National Sporting Goods Association
1601 Feehanville Drive / Suite 300
Mount Prospect, IL 60056
t 847.296.6742
f 847.391.9827
nsga.org

Nation's Best Sports
4216 Hahn Blvd.
Ft. Worth, TX 76117
t 817.788.0034
f 817.788.8542
nbs.com

Outdoor Industry Association
4909 Pearl East Circle / Suite 300
Boulder, CO 80301
t 303.444.3353
f 303.444.3284
outdoorindustry.org

Sports & Fitness Industry Association
8505 Fenton St., Suite 211
Silver Spring, MD 20910
t 301.495.6321
f 301.495.6322
sfia.org

Snow Sports Industries America
8377-B Greensboro Drive
McLean, VA 22102
t 703.556.9020
f 703.821.8276
snowsports.org

Sports, Inc.
333 2nd Avenue North
Lewistown, MT 59457
t 406.538.3496
f 406.538.2801
sportsinc.com

Sports Specialists Ltd.
590 Fishers Station Drive / Suite 110
Victor, NY 14564
t 585.742.1010
f 585.742.2645
sportsspecialistsltd.com

Team Athletic Goods
629 Cepi Drive
Chesterfield, MO 63005
t 636.530.3710
f 636.530.3711
tag1.com

Worldwide
8211 South 194th
Kent, WA 98032
t 253.872.8746
f 253.872.7603
wdi-wdi.com