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WFSGI AND MCKINSEY UNVEIL REPORT
'SPORTING GOODS 2024: TIME TO MOVE'

Bern, SWITZERLAND – 30 January 2024 – After a mixed 2023, sporting goods companies continue to face macroeconomic headwinds, winner-takes-all competition, and rising levels of physical inactivity around the world. Despite these challenges, however, many executives say they are more optimistic than at any time over the past few years.

One reason for the more positive outlook is that consumers' preferences are evolving. More people are choosing sports that are quicker to pick up, require less commitment, and are more social – pickleball, running, and off-course golf are seeing rising levels of engagement. And sport has never been more popular among older demographics, creating a market in which participation is just as important as performance. Operational priorities are also changing. After supply-demand imbalances in the wake of the pandemic, companies are turning to integrated business planning and advanced analytics to help them navigate more volatile times. Meanwhile, sporting ecosystems and sustainability demands offer routes to innovation.

These are some of the themes contained in "Sporting Goods 2024 – Time to Move", the fourth annual sporting goods industry report from the World Federation of the Sporting Goods Industry (WFSGI) and McKinsey & Company. Based on in-depth research, consumer surveys, and interviews with some of the industry's leading decision makers, the report highlights the major challenges facing sporting goods companies and the trends likely to shape the big decisions over the next 12 months.

"The report highlights an improving industry outlook," says Emma Zwiebler, WFSGI Interim CEO. "Despite a challenging economic and business landscape, the sporting goods industry demonstrated its resilience in 2023,

with shifting preferences and generational opportunities paving the way for sustained growth as we head into 2024. However, it also highlights the urgent need to address the staggering levels of global physical inactivity.” According to World Health Organization (WHO) research on activity among adults, 28% of adults and 81% of adolescents globally fail to meet the organization’s recommended levels.

In a hyper-competitive market, only a minority of sporting goods companies manage to consistently grow revenues and expand margins. This elite group are well placed to maintain their momentum over the coming year, but many others face an uncertain future.

“While the year ahead will be marked by uncertainty, it will also offer opportunities,” says Alexander Thiel, a partner at McKinsey & Company. “As the global population continues to expand, and more people adopt healthier and more active lifestyles, brands, retailers, and manufacturers have chances to grow. But this potential should be contrasted with continuing political and economic unpredictability, which is playing out in almost every region globally.”

Key themes for 2024

This year’s report highlights five key themes that will shape the fortunes of sporting goods companies over the coming year:

- **Mixed markets.** Companies need to find a winning formula and the right channel strategy, amid uneven growth in the world’s biggest markets and increasingly polarized performance.
- **Shifting consumer preferences and generational opportunities.** In the face of a cost-of-living crunch, consumer confidence is under pressure. But social sports and rising participation amongst older generations offer opportunities.
- **Planning, planning, planning.** The key to being prepared lies in integrated business planning, often through advanced analytics.
- **From sustainability targets to actions.** While many companies are making progress, others are still at the starting blocks. In the report, we outline ten impact areas and suggest initiatives that may help companies move forward.
- **Playing the sports ecosystem game.** The future is about offering more than a single idea. Customers want value adds such as the chance to

meet similarly minded people and to buy a range of products in one place.

Over the turbulent recent past, sporting goods industry winners have set themselves apart through their ability to perform consistently in unpredictable market conditions. The challenge for the wider industry in 2024 will be to navigate volatility while making bold decisions that will unlock opportunities to grow.

About WFSGI

The [World Federation of the Sporting Goods Industry \(WFSGI\)](#) is the global, not-for-profit trade association for the sporting goods industry. WFSGI is officially recognized by the International Olympic Committee (IOC) as the industry representative within the Olympic Movement.

The purpose of the WFSGI is to unite and support the global sporting goods industry, and ensure a healthier, more active planet for all.

Our members comprise sports and sports-inspired leisure brands, manufacturers, suppliers, retailers, national/regional federations, industry and trade associations. This represents approximately 70% of the global industry by annual turnover.

About McKinsey & Company

McKinsey is a global management consulting firm committed to helping organisations accelerate sustainable, inclusive growth. We work with clients across the private, public and social sectors to solve complex problems and create positive change for all their stakeholders. We combine bold strategies and transformative technologies to help organisations innovate more sustainably, achieve lasting gains in performance, and build workforces that will thrive for this generation and the next. McKinsey teams work in more than 130 cities and 65 countries. McKinsey was founded in 1926. Global Managing Partner is Bob Sternfels since July 2021. www.mckinsey.com

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