PRESS RELEASE

HOW SPORTING GOODS BRANDS CAN TURN UNCERTAINTY INTO OPPORTUNITY

New report by McKinsey & Company and the World Federation of the Sporting Goods Industry explores the state of the industry and growth themes for 2025 and beyond

Bern, 4 March 2025: McKinsey & Company and the World Federation of the Sporting Goods Industry (WFSGI) are pleased to announce the publication of *Sporting Goods 2025 – The new balancing act: Turning uncertainty into opportunity.* The fifth edition of the annual industry report offers an in-depth examination of the key trends shaping the global competitive landscape in sporting goods. It features insights from two proprietary surveys, market research and analysis, and interviews with executives of Colnago, Decathlon, Lululemon, On, TRX, and Victory Group.

Report findings

Over the past year, the sporting goods industry has persevered through economic volatility, geopolitical tensions, and evolving consumer behavior. Softening growth—projected to be 6 percent annually from 2024 to 2029—is compelling executives to focus equally on the top and bottom lines. Still, the report found that 44 percent of industry executives are feeling 'optimistic' or 'rather optimistic' about 2025, signaling their cautious confidence in seizing opportunities amid pervasive challenges.

"Amid an uncertain terrain, our analysis highlights evolving consumer behavior and trends that offer growth opportunities for sporting goods brands," said Alexander Thiel, Partner at McKinsey. "To thrive in 2025, executives should focus on balancing top-line and bottom-line growth, engaging diverse consumer segments, and integrating in-person and digital experiences."

Emma Zwiebler, WFSGI CEO continued, “I’m pleased to see that this report highlights the opportunity to turn the inactivity crisis into a catalyst for positive change for health and business. While the statistics are significant and concerning, they also present a chance to engage the 1.8 billion inactive adults identified by the WHO. Encouraging movement is not just a health necessity but a major business opportunity. Our industry has the potential to improve global well-being by playing our part in making physical activity more accessible and creating a healthier, more active world for everyone. And in doing so, we will drive growth for the industry. It’s a win-win.”

The report explores key themes that will shape the market, and it highlights consumer trends that could represent paths to growth:

Physical inactivity as the biggest untapped market. Despite the significant benefits of physical activity, the share of inactive adults jumped from 26 percent in 2010 to 31 percent in 2022 and could reach 35 percent by 2030. The global adult population that is currently not meeting WHO’s recommended levels of physical activity totals 1.8 billion—an untapped market equivalent to twice the size of India’s adult population. Sporting goods players have an opportunity to take targeted action to empower sedentary consumers to increase their physical activity levels. They could seek to remove barriers to physical activity for more sedentary segments, including via product innovation, marketing campaigns to raise awareness, and enhanced youth engagement. The report also highlights that increased intersectoral collaboration is necessary as the challenge is too great for the industry to tackle alone.

Active lifestyle as identity. While physical inactivity has reached record levels around the world, there is also a consumer segment that is becoming increasingly active. For those who are already physically active, exercise has evolved from a casual pursuit into a linchpin of health regimens and a defining element of personal identity. Almost one in two active consumers and a significant portion of Gen Zers and millennials view fitness as their core identity. This trend presents an opportunity for sporting goods brands to develop products that meet the emotional and functional needs of active consumers and foster long-term loyalty.

Market share reshuffle. The sporting goods market has witnessed a proliferation of new entrants including both general apparel players, and specialized players for segments such as running, yoga, cycling, or gym attire. These challenger brands have benefited from declining barriers to market entry and a tightly focused value proposition for specific consumer segments. From 2019 to 2024, publicly traded challenger brands expanded at a faster rate than large incumbents, gaining three percentage points of market share.

Boom of blended live sports and entertainment. According to our consumer survey, 81 percent of respondents attended in-person fitness classes in the past year. The thirst for live experiences—McKinsey estimates the global live events ticketing market surpassed $100 billion in 2023 and could reach $150 billion by 2030—has led to more venues blending sports, entertainment, and retail; new sports formats featuring competition and spectacle; and more sports-based content. Brands could seek to effectively combine in-person and digital offerings and capitalize on the intersection of sports and entertainment by partnering with other players.

About the research

This report features insights and perspectives from several research efforts.

WFSGI Sporting Goods Industry Executives Pulse Check, December 2024 – a survey of 50 sporting goods executives to gauge their overall sentiment on the state of the industry and the factors that will matter most.

McKinsey Sporting Goods Report Consumer Survey, December 2024 – a survey of more than 3,600 consumers across Germany, the United Kingdom, and the United States to explore their approach to physical activity, interaction with live sports and entertainment, and consumption of sportswear brands. Of this sample, we segmented 1,842 respondents who identified as active consumers to further understand this segment.

Additional research and analysis—including a review of publicly available sources (annual reports, company publications, and press releases) and financial analysis on publicly traded companies to evaluate their performance and market shares.

The full report will be available on March 4 here:
https://www.mckinsey.com/industries/retail/our-insights/sporting-goods-industry-trends and https://wfsgi.org/sporting-goods-2025-the-new-balancing-act/

March 17 Webinar: McKinsey and Company and WFSGI will host a webinar on March 17, providing actionable insights and strategies to navigate industry complexities. Register here.

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NOTES TO EDITORS

About McKinsey & Company

McKinsey is a global management consulting firm committed to helping organizations accelerate sustainable and 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 organizations innovate more sustainably, achieve lasting gains in performance, and build workforces that will thrive for this generation and the next.

About WFSGI

The World Federation of the Sporting Goods Industry (WFSGI) is the global voice of the sporting goods industry. Representing brands, manufacturers, retailers, and national federations, WFSGI advocates for policies and initiatives that foster health, sustainability, and economic growth through sport and physical activity.

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