

Consumer Spending On Sport Is Booming Across The Age Spectrum

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Sport is becoming big business, with everyone from middle-aged men to the parents of young children increasingly prepared to pay significant amounts of money to improve their skills or have the best equipment and the latest apparel.

Key trends

- * Middle aged triathletes keep the dream of youth alive
- * And they are prepared to pay a pretty penny for this "elixir"
- * Midlife crisis? What crisis?
- * And let's not forget the kids!
- * From Baby Einstein to Baby Federer: Instructional sports DVDs for children
- * Greater likelihood of overuse injuries a long-term concern?

Commercial opportunities

The main sectors likely to benefit from this trend include:

* Sports equipment and clothing, with the global retail sales sports goods stores expanding by 18% between 2004 and 2009, to nearly US\$136.8 billion, according to Euromonitor International data. Growth has been particularly vigorous at the premium end of the market, where many amateur athletes now demand professional-level equipment and apparel

* Gyms and sports coaching, including those specialising in instructing children and even toddlers

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* Sports nutrition and fortified/functional sports drinks

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* Sporting holidays are a growing niche within the travel industry: Why laze on a beach for a week when you can cycle Alpe d'Huez in France or swim the Bosphorus?

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* Exercise video games, such as Nintendo's Wii Sports, Sony's Move and Microsoft's Kinect

Background

Obesity has become one of the buzzwords of the early 21st century. "Obesity crisis," "Obesity epidemic" and "Obesity bomb" are among the headlines that regularly scream at us from the media. The statistics are indeed worrying, particularly in the Anglo-Saxon world, with almost 82% of those aged 15 years and older classed as being either overweight or obese in the USA, for example.

However, while many consumers are leading increasingly sedentary lifestyles and consuming a diet "heavy" in calorie-dense foods, a growing number are fighting back against the prevailing trend, participating more in sports and unafraid to spend significant amounts of money in pursuit of their passion, which for some has become something of a lifestyle accoutrement.

This is also an offshoot of the spread of so-called "experience consumption," whereby some consumers place more value on life experiences than traditional consumer goods like cars and televisions.

This trend has also spread to children, even very young ones, as parents seek to give them an edge later in life in what looks like becoming an ever-more competitive global marketplace.

Middle aged triathletes keep the dream of youth alive

There was a time not so long ago when the sporting activity of most middle aged men did not extend beyond the golf course, but this has changed radically over recent years, particularly the USA, where a growing number of men in this age group are participating in more intensive activities, such as triathlon.

Participation in this sport grew by 51% in the USA between 2007 and 2009, according to a mid-2010 study conducted by the Sporting Goods Manufacturers Association, and men in their 40s are one of the fastest growing groups, accounting for a third of the country's 1.2 million triathletes. Between 2000 and 2010, the number of triathlon clubs in the USA exploded from 50 to 831.

According to 40-year-old Eric Goodman, a recent triathlete convert, "I'm not looking for my fountain of youth, but I am trying to stay as young as I can for as long I can. I didn't realise what bad of shape I was in [before starting training]." He said to himself: "I'm not going to sit around and say I'm getting old. I'm

going to find a way to beat this.â€•
And they are prepared to pay a pretty penny for this â€œelixirâ€•

This group of consumers also tends to have significant levels of discretionary income, which is very useful in a sport where equipment must be purchased for three separate disciplines (swimming, cycling and running).

Scott Berlinger, head coach at Full Throttle, a 120-man New York City-based triathlon team, says â€œForty-somethings are also the ones who can afford the sport. I tell my athletes everything costs US\$100 (shoes, helmets, glasses) and the big purchase is your bike,â€• which can cost up to US\$10,000.

According to Erik Vervloet, vice president for sports marketing at sports apparel and footwear brand K-Swiss, â€œ[American] Triathletes are a discerning group of alpha consumers, with \$175,000 average salaries... [spending] an average of US\$22,000 per annum on the sport.â€• However, some regard this as a long-term investment: Mr Goodman, who has spent US\$8,000 on two road bikes, says â€œHopefully that will pay off in terms of medical bills we are not paying for down the road.â€•

Midlife Crisis? What crisis?

In the UK, some affluent middle-aged men are opting for high-end road bikes, rather than sports cars, to ease their mid life crisis. Public policy has also played a role in this, with the UK government's Cycle to Work scheme effectively subsidising the purchase of cycling equipment for taxpayers.

A survey of middle aged men in the UK conducted by winemaker Redwood Creek during 2009 found that half had set themselves â€œa daunting physical challengeâ€• over the previous 12 months, ranging from distance running to walking the Great Wall of China, with 10% of this group admitting that it was all down to "the midlife crisis."

However, not everyone takes the high-coast route: According to one online poster, â€œMy bike was a cast off. One year on am feeling great and asthma has reduced. Crisis, what crisis?â€•

Another poster comments â€œthe reality is most [middle-aged men] have been working hard for the last 15 years or so and are probably now in positions that they're more comfortable with - not always working 12 hours days to get ahead. They actually have the time and comfort zone to actually do other things.â€•

A third writes, â€œI took up running last year. I'm between 35 and 40. My kids are no longer babies, which gives me some more time. I was overweight - not a lot, but getting more so. Is that a midlife crisis?â€•

And let's not forget the kids!

Unstructured, unsupervised play appears to a thing of the past for some children, thanks to the rise of the â€œhelicopterâ€• parent (so called because they are forever hovering over their offspring).

In the USA, children are now participating in organised sport almost as soon as they walk on the basis that learning basic skills, such as co-ordination or kicking or throwing the ball, at an early age will give them an edge later on.

Scottsdale, Arizona-based The Little Gym offers classes for children as young as four months in five countries, with chief executive Bob Bingham claiming that it has 20,000 youngsters under two years of age on its books (about a quarter of its total enrollment).

At Lil' Kickers, a soccer academy with franchises in 28 states, parents can enroll their children at 18 months old, and about 55% of the 100,000 children it has signed up during 2010 to date are 3 years or younger.

The Little Gym also has ambitious expansion plans and aims to have 100 locations in China within five years. They are targeting a growing class of affluent parents who want to give their â€œLittle Emperorsâ€• the best possible start in that country's hugely competitive education system.

From Baby Einstein to Baby Federer: Instructional sports DVDs for children

Inspired in part by the Disney-owned Baby Einstein concept, which aims to accelerate cognitive development in very young children (although marketing claims can be something of a minefield in this area), there is now a growing range of baby sports DVDs available, marketed by such companies as athleticBaby and Baby Goes Pro.

Baby Goes Pro's â€œDiscover Sportsâ€• DVD costs US\$10.95 and covers five sports (baseball, basketball, golf, football and tennis). It uses a cartoon monkey called Emkei to explain rules and equipment in terms that even quite young children can understand.

Greater likelihood of overuse injuries a long-term concern?

However, some experts in youth sports are amazed that the age of entry has dipped so low: Dr. Lyle Micheli, an orthopedic surgeon and founder of the first pediatric sports medicine clinic in the United States at the Children's Hospital in Boston, says â€œI don't know of any evidence that training at this infancy stage accelerates coordination.â€• He also

expresses concern regarding the potential for even younger ages of overuse injury.

Former NBA player Bob Bigelow says "There are millions of American parents worried to death that their children might fall behind somebody else's kid. So the emphasis in youth sports has become more, more, more, younger, younger, younger."

Outlook

With life expectancy growing worldwide as many older consumers staying active for longer, sport is most definitely no longer the exclusive purview of youth.

From Wii-playing grandparents to the angst-ridden middle aged and toddlers who are still nappies, demand for sporting equipment and services is likely to continue to exhibit stellar rates of growth.

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