

Retailers race for slice of sportswear market



Just weeks since the peak Christmas trading period, it is clear that sportswear will be in the retail spotlight in 2014 as both specialists and non-specialists target it for growth opportunities.

The £5.8bn UK sportswear market is forecast to grow 3.2% this year, outperforming the total UK clothing and footwear market by 0.4 percentage points, boosted by retailers developing fashionable, affordable sportswear ranges, forcing specialists to fight back.

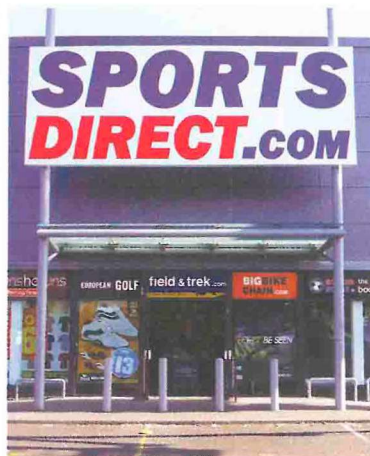
January's retail news was peppered with sportswear activity, including H&M and Primark promoting their refreshed sports offers, Lululemon opening in Covent Garden and Adidas' new concept store in Bluewater.

Specialists have also been on the lookout for growth opportunities. JD Sports is moving into value gyms and Sports Direct is eyeing potential collaborations with Debenhams following its investment.

Riding on the success of the London Olympics and recognising a gap in the market for greater choice, retailers are right to be investing in sportswear.

However, competition is intensifying. Sports specialists are facing far greater pressure from the growing share of clothing specialists, as more players such as H&M, Asos, Primark and Next develop own-brand fashionable sportswear ranges at affordable prices.

Further opportunities remain for non-specialists, especially in the value fashion segment of the market, where few fashion



Specialists such as Sports Direct face increasing competition from clothing retailers

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influences or collaborations have been incorporated into value sports ranges.

Opportunities remain for retailers such as Tesco, Asda or New Look to create high-profile sportswear ranges if they collaborate with either a designer or sports professional, but they must ensure that prices remain low in order to appeal to their core target market.

In response to the greater competition on the high street and in an effort to protect their proposition from the discounters, many more sports brands are focusing on opening their own retail stores.

Global sports labels such as Nike, Adidas and Puma have started to create a stronger physical store presence and are taking control of their own store operations, resulting in further competition for non-specialists but providing consumers with far more choice.

While the World Cup will boost sales in the first two quarters of this year, with consumers starting to feel a little more confident about spending on discretionary items and wanting to buy into new team kits or replicas, the interest in sportswear is a long-term trend for retailers to capitalise on.

Non-specialists and brands are investing in improved ranges and accessibility, which in turn make it more challenging for the leading sports specialists – Sports Direct and JD Sports – to achieve market share growth.

To be a winner in this prosperous market, it is essential for retailers to place greater focus on adopting fashion trends in sports clothing, while refreshing collections with regular newness will drive frequent footfall and purchases.