

SPORTS RETAIL: CHANGING THE GAME

Text: Gemma Balmford

As the sportswear market continues to perform well, specialist brands are raising their game and competing with authentic, personalised and immersive in-store retail experiences, finds Retail Focus.

At the opening of Nike Soho in New York last November, Heidi O'Neill, Nike's president of global direct to consumer, claimed that the brand was leading the transformation of sports retail. The 5,110 sq m store, which is spread across five floors, is inspired by the lifestyle of modern sport and places emphasis on community and experience, with a personalisation studio and a number of trial spaces, including a Nike+ basketball trial zone that spans a half court.

'With Nike Soho we can realise the promise of personalised performance,' says O'Neill. 'Whether you're training for a marathon, shooting hoops or doing drills on our in-store court, or if you love sneakers, Nike Soho will help you raise your game, because it's more than a store, it's a personal sport experience.'

Above: The Nike+ Running Trial Zone at Nike Soho allows consumers to test out shoes on a treadmill with screen options for Central Park and the West Side Highway.

For Nike+ members, the store offers premium services that streamline and enhance the shopping and membership experience, including the ability to book one-to-one appointments, easy returns, 30-day product trials and access to programming via the Nike+, Nike+ Run Club, Nike+ Training Club and Nike+ SNKRS apps.

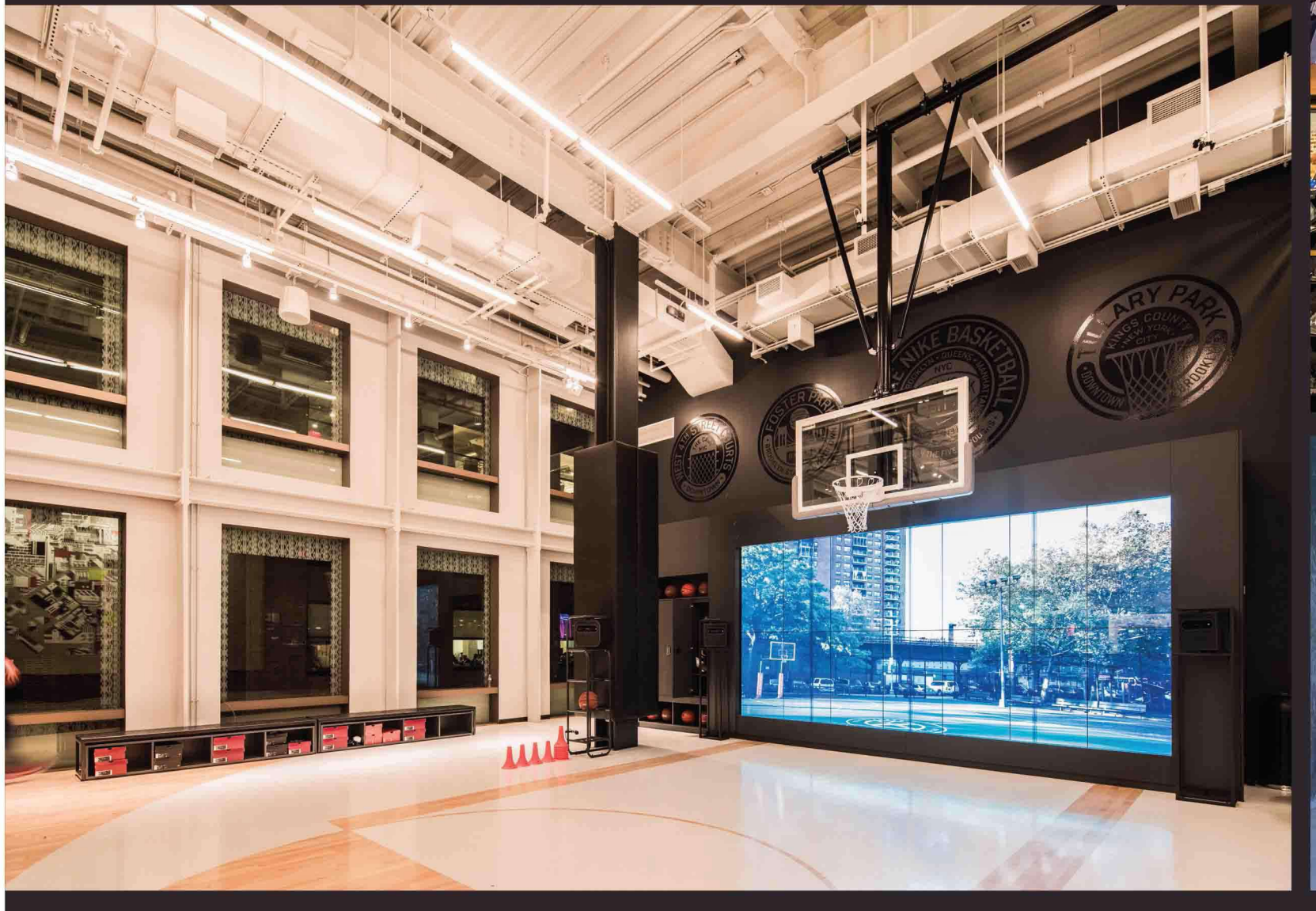
'Experience is the new social currency and sportswear brands are at the forefront of understanding the value of this, using experiential marketing to forge stronger relationships with consumers and increase long-term brand loyalty,' says Bernadette Kissane, apparel and footwear analyst at market research firm, Euromonitor.

A month after the launch of Nike Soho, Adidas opened its own high-profile store in New York, promising a 'consumer-powered brand experience to athletes craving a more tailored, personal and creative connection to sport'. The Fifth Avenue flagship is the brand's largest store worldwide, offering real-time fitness consultations, healthy juices and snacks, a concierge desk and personalised shopping experiences such as the Run Genie gait analysis tool.

'adidas NYC will constantly challenge the status quo and what consumers expect when they go to a store,' claims Mark King, adidas group North America president. 'We're giving consumers an experience that's really authentic to them.' >

Below: The Nike+ Basketball Trial Zone at Nike Soho spans nearly an entire half court and enables customers to shoot hoops, test basketball shoes and do custom drills with the guidance of in-store certified store athletes.

Right (clockwise from top left): Under Armour's new Boston Brand House is an interactive retail space; Lululemon opened a new flagship store on Regent Street in January, designed by Dalziel & Pow; adidas opened its largest store worldwide in 2016, on New York's Fifth Avenue.



Inspired by high school stadiums, the store features a tunnel entrance, stands for live-game viewing on big screens, locker rooms instead of dressing rooms, and track and field areas where consumers can test and experience products.

In Boston's Back Bay, Under Armour is also raising its game with the opening of Boston Brand House, a 1,765 sq m interactive retail space featuring digital displays, a readiness/skill test experience and a wall map that follows a run path from the perspective of the brand's Connected Fitness running community. The global performance brand is also expected to open a flagship store in New York City by the end of 2018 at the former FAO Schwarz toy store on Fifth Avenue.

'The leading sports brands have been pioneers in creating innovative in-store retail experiences,' observes Samantha Dover, retail analyst at market research company, Mintel. 'As young people increasingly prioritise experiences over things, the sports goods retailers have been quick to align themselves, unveiling store

concepts that are built around consumer lifestyles and the rising interest in health and wellness. Such brands are using exercise classes, health-focused cafes, immersive digital experiences and in-store brand ambassadors to engage with shoppers on a level that goes beyond pure product selling.'

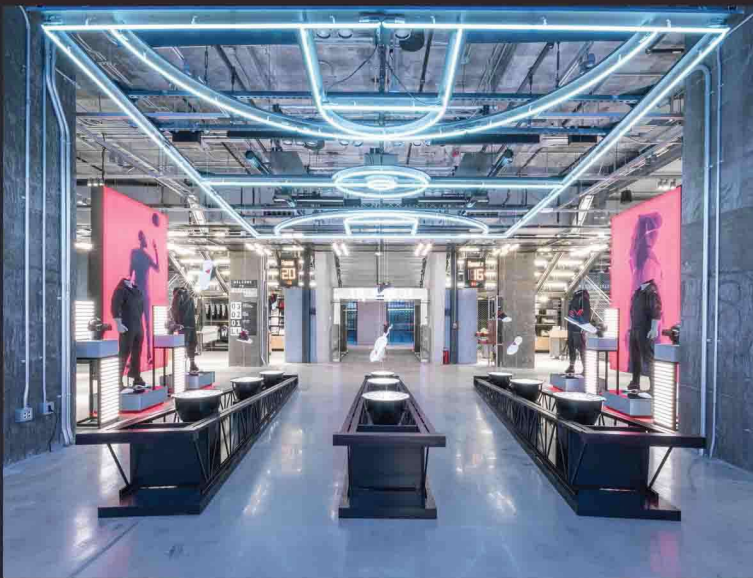
In the UK, New Balance recently opened a flagship store on London's Oxford Street while Under Armour is reportedly in talks to takeover French Connection's Oxford Street flagship for its first standalone UK store. And, around the corner on Regent Street, Canadian athletic apparel brand Lululemon has just launched its largest European store with several design elements tailor-made for the space and unique to the UK (see page 28).

'Lululemon is elegantly championing the balancing act of connecting with customers on the grassroots level while also establishing itself as a global sports brand powerhouse, thanks to integrating community-focused initiatives while also carving out tourist-luring flagships,' notes Stefanie Dorfer, retail editor



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MARK KING, ADIDAS



at innovation research and advisory firm, Stylus. '[The] London flagship represents a very interesting example of a hybridised store experience (courtesy of its retail, health cafe and fitness spaces) that appears to have the capacity to simultaneously function as both a local-centric, community-relevant venue as well as a tourist magnet. Features such as the unusually open floor space that doubles as a yoga studio, the concierge desk dispensing local advice and the overtly centralised cafe with its deliciously tactile long bar, effectively offer a route into the London wellness scene that's potentially as exciting for locals as it is international visitors.'

Besides looking for growth outside traditional distribution channels, specialist brands are also focusing on opening their own stores to give them greater control over storytelling and the entire customer experience, as well as tapping into new and existing communities, believes Dorfer. 'Nike, Lululemon, Under Armour and Adidas are flipping the traditional sports retail model and focusing on experience over product in their flagships.'

'Sportswear brands have recognised the value in opening flagship stores for their impact on brand awareness and the marketing opportunities they present,' agrees Amelia Falco, design director at Gensler, which has worked with the likes of NBA and The North Face. 'They also realise that opening their own stores allows them to completely control the look and feel of their brand, and the customer experience.'

According to Euromonitor, the global sportswear market is expected to grow by five per cent in 2017, predominantly fuelled by on-going demand for both sports-inspired and performance apparel. 'Sportswear is one of the most innovative industries, both in terms of product development but also the retail space,' says Kissane. 'Leading behemoths will continue to expand their own store network, exploring the impact of experience retail on bottom line returns. Additionally, it is likely we will continue to see localised approaches to marketing, with an emphasis on building lifestyle brands and developing communities.' **RF**