

SPORTS GOODS 2022

Ecommerce Sector Report

In partnership with



€499 | MAY 2022

RXSSGEU22RP

www.retailx.net





Join RetailX today and access exclusive research and webinars

RetailX exists to help the retail professional navigate the complex world of multichannel retail. We offer the data, analysis and authoritative insight needed to build successful and profitable businesses.

Our meticulous research encompasses data from ecommerce and trade associations, with national and European government data, our own research and other sources.

Also join our exclusive webinars for up-to-the-minute updates on the performance of ecommerce markets and sectors.

Better yet, all this information is free to retailers - just sign up using your work address to get started.

Country Level Market Analysis

RetailX Country and Regional Reports zoom in on the state of ecommerce in more than 20 of the most prominent B2C markets around the world. From ecommerce trends, to unique case studies with leading retailers; each report is jam-packed with the key analysis required to triumph in any given ecommerce territory.

Sector Insight Reports

Our Sector Reports combine in-depth company performance research with analysis of sector dynamics to equip retailers with a lucid understanding of the current state of key industry segments - including financials, performance and market context.

Exclusive Webinars

Join leading figures in world ecommerce, senior retailers and our team of researchers as we delve into the world of ecommerce; including how it's performing at a country and a sector level, as well as discussing important concerns facing retailers. All previous webinars are now available to watch on-demand.

Join today at RetailX.net

Free access to all resources for retailers.

Introduction



The European sports goods market is one that, while initially quite hard hit by lockdowns, has sprinted back strongly and is set to reap dividends from the pandemic focussing consumer minds on health, wellbeing, fitness and sustainability.

Historically, the sector has seen modest growth since the credit crunch in 2008, rising by around 5% per year in the decade or so to 2019, where it was valued at around €12bn. Lockdowns and the cessation of any sort of social mixing effectively stopped participation in most major sports in its tracks in 2020 and the market shrank by €2bn.

However, with solitary exercise the only way to leave the house for many consumers in most countries, a switch to outdoorwear, yogawear and more general sportswear not only became the clothing of choice for sports, but also became the accepted uniform for homeworking and Zoom meetings.

This proved a much needed fillip for the sports sector in 2020 and 2021 and helped sales rise back to their pre-pandemic levels in 2021. 2022 is forecast to consolidate these gains.

However, while the sector has weathered the storm of Covid, by pivoting to meet these changing customer demands, it is one of the few retail verticals that hasn't seen ecommerce thrive during this period. More shoppers than ever are using online to buy sports goods, but the sector is still dominated by physical retail.

This is largely down to performance sportswear being something that is a very personal buy and which needs trying out before purchase. This has meant that this end of the market has not seen the level of digital development seen in other sectors in the same period.

However, this does create the opportunity in the sector for disruption, with pureplay specialist sellers, along with a growing number of online specialist performance sports marketplaces, springing up. These new entrants are likely to see the sports sector change dramatically in the years ahead and foreshadow a bigger shift in sports retail, with many other retail sectors starting to sell sports goods.

This makes this sector particularly volatile and one to watch as it will likely leapfrog many other retail sectors, in terms of digital shift and the use of technology, as the market continues to evolve.

Ian Jindal, CEO, RetailX

Contents

| | |
|-------------------------------------|----|
| Partner perspective: Narvar | 5 |
| Market context | 6 |
| Defining sports goods | 7 |
| Impact on traffic | 8 |
| Sustainability | 9 |
| Digital health and wellbeing | 11 |
| Consumers | 13 |
| Which sports and where? | 15 |
| How Europeans shop for sports goods | 16 |
| Sports goods | 18 |
| Sports apparel | 20 |
| Sports footwear | 22 |
| Swimwear | 23 |
| Athleisurewear | 24 |
| Sports equipment | 25 |
| European regional markets | 26 |
| Imports and exports | 29 |
| Key players and performance | 30 |
| Key players | 31 |
| Company profiles | 34 |
| Growth drivers | 43 |
| Figures | 46 |
| Conclusion | 47 |



Go beyond the buy button.

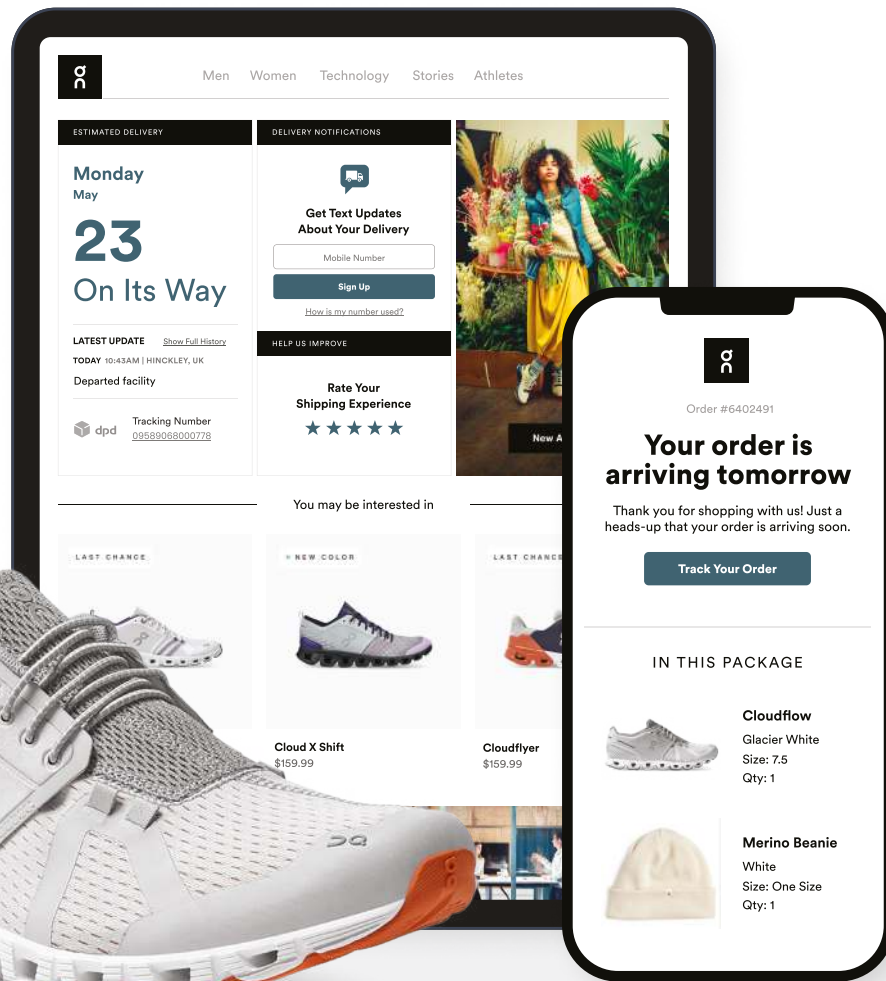
Create premium post-purchase experiences.

[Schedule a demo at narvar.com](https://narvar.com)

Trusted by the world's leading brands. Over 1,200 and counting.



Foot Locker



Expert insight

Chris Hoskin



EMEA Marketing Director, Narvar

Post-purchase: balancing customer demands and the need of brands

The Achilles heel for any ecommerce retailer is returns. Yes, the UK sporting goods industry is set to increase revenue by 29% by 2025 - but without addressing returns, brands will feel the pinch.

Most brands are up to speed when it comes to the first stage of the post-purchase experience beyond the “buy” button - and they’re seeing results.

On Running, for example, has seen increased conversion rates and reduced “where is my order?” enquiries by setting delivery expectations, introducing engaging order tracking and proactive delivery notifications. This now comes as standard for most retailers, but when it comes to returns, refunds and exchanges there’s a huge opportunity to optimise P&L and drive customer loyalty.

It’s all about flexibility - and control

Customers want choice, zero friction and ultimate

convenience. Brands want flexibility and control - revenue retention, cost control, and the ability to adapt quickly based on operational needs are all in the spotlight.

The good news is that you can balance customer demands with what your brand needs. Here are five ways to do that:

1. Offer ultimate convenience

Need to get items back to the DC faster? Offer more flexible returns options to remove the barriers for customers. Printerless, boxless, locker drop-off and home pick-up are all becoming more common - and expected. The latter is getting items back 25% faster - a big win for inventory.

2. Reward your best customers (and limit your worst)

Personalise returns options based on customer behaviour to protect your brand from unsustainable costs, while driving loyalty. You could, for example, offer VIP perks to your most profitable customers, while you prioritise more economically viable options for serial bracketers.

3. Save the sale

Make it easy and customers are likely to make an exchange with you rather than going elsewhere. Recommend similar items within the returns flow - and if they don’t find anything, try offering an incentive to take store credit.

4. Stay on the front foot to reduce “where is my refund?” calls

Proactively keeping customers in the loop with the status of their return (just like order tracking) keeps them happy and the customer service phone lines quiet. Self-service returns portals and notifications via the channels customers use are a must. Outdoor brand Orvis reported 42% less WISMR calls after taking this approach.

5. Get smart with dispositioning

In an industry as seasonal as sports goods, getting items back to the right place for re-stocking and resale or recycling quickly is critical. Intelligent dispositioning is your friend. It also makes a huge dent in shipping costs - and has sustainability benefits too. One Narvar retailer saved 545 million miles of package travel by routing returns to the nearest DC, rather than to one central place. That’s equal to 22,000 trips around the earth!



Narvar pioneered how brands engage with consumers beyond the “buy” button through branded order tracking, delivery notifications, returns and exchanges. Narvar’s comprehensive Post-Purchase Platform empowers 1200+ of the world’s most-admired brands including Lacoste, Puma, Footlocker and On Running.

www.narvar.com

Market context

The pandemic, sustainability and digital health have combined to shift shopper habits, but growth in the sector continues

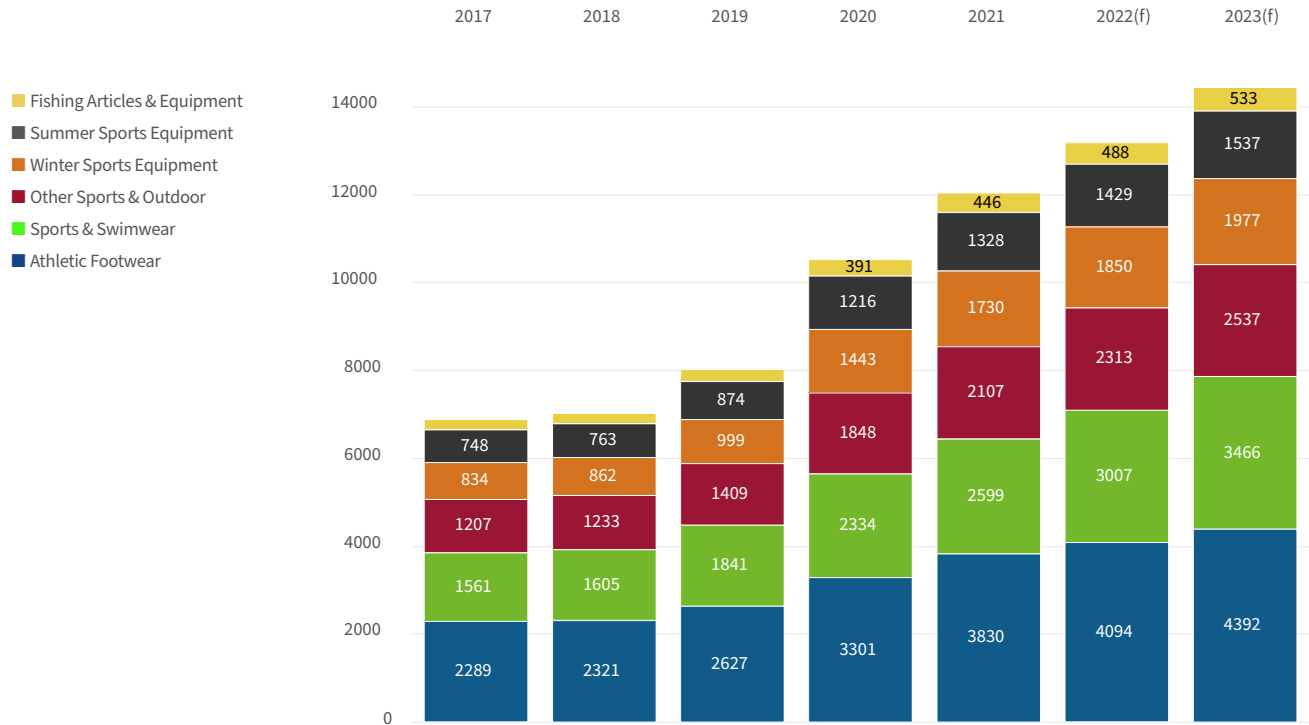
The online sporting goods and outdoor sector in EMEA was worth €12.04bn in 2021, markedly up from €10.53bn seen in 2020 and continuing impressive growth that the sector has enjoyed since around the end of the credit crunch in 2008. It is further forecast to hit €13.18bn in 2022 (see Figure 1).

The results are all the more remarkable since the global pandemic and the lockdowns that it necessitated had an enormous impact on sports from professional level downwards.

The curtailment of team sports and many indoor sports caused a fundamental shift in what was shopped in sports across the continent in 2020 and 2021. This was compounded by a downshift in sales of Winter sportswear, impacted by travel restrictions lessening the number of people going on skiing and other winter sports holidays across these two years.

However, the lockdowns and the pandemic didn't wipe out consumer spending on sports and outdoor apparel and

FIGURE 1: Revenue of Sports and outdoor ecommerce by category 2017–2023 (\$m)



Note: The ecommerce market Sports and Outdoor comprises leisure products linked to sports and outdoor activities. Sports and outdoor items also include clothing, shoes, as well as sports and outdoor equipment. All monetary figures refer to the annual gross revenue and do not factor in shipping costs. Data current as of December 2021.

Source: Statista

© RetailX 2022

equipment. Instead, it produced a shift in where that spend went, with more consumers taking up individual sports, including yoga and Pilates.

The market also saw growth in outdoorwear and walking apparel and equipment as, in many countries in the region, walking was one of the few things locked down consumers were able to undertake. Many also bought dogs, which also required walkies.

The sector was also bolstered by the growth in lockdown of athleisurewear. With the majority of consumers working from home, this category of clothing – combining tropes of yoga wear, sportswear and relaxed leisurewear – became a staple of homeworking; smart enough for zoom meetings from home, sporty enough to fit in a walk at lunchtime.

An increased interest in shopping for sustainable goods also impacted the sector during this time too, with those brands that could demonstrate sustainable production, recycled materials and ethical working practices seeing a surge in sales.

The third influence on how consumer spending in the sports sector has shifted has been the embrace of digital health apps. These have driven more people to take up some form of exercise and has lifted sales for both sports apparel and equipment – a trend that is set to continue.

Defining Sports goods

Sports goods has become a key ecommerce category in retail, growing steadily for more than a decade. However, it is a broad segment that covers a range of goods, embracing both apparel and equipment, and touching on not only sports, but also the fashion and wellbeing sectors.

For the sake of this report we are adopting the definition of the sports and outdoor goods that comprises all sports and leisure products linked to sports and outdoor activities, as well as those goods that are also primarily sold as fashion items. This includes sports apparel and footwear, outdoor apparel and footwear, winter and summer sports – both individual and team – apparel and footwear. It also covers sports swimwear.

Within this, we look at the two distinct markets: those for performance apparel and footwear and those for fashion and leisure. Performance apparel and footwear are dedicated to actual sporting pursuits and serious outdoor use, those that are used for fashion and leisure, typically not for physical exertion. We also take in health and wellbeing sportswear, such as yoga pants and leggings.

There is, of course, a cross-over between all these – not least in the rise of athleisurewear – and we have, where possible endeavoured to pull apart the revenues and performance of each, but in many cases they are inextricably linked.

The sector, as we define it, also covers the peripheral equipment that goes with all these sports and outdoor activities. This includes balls, bats, racquets, nets, goals, poles, rods, mats, pads, bags, sports drinks bottles and more. The outdoor segment of the sector analysis, while primarily focussed on apparel and footwear, also encompasses rucksacks and bags, walking poles and other peripherals.

The market also includes some exercise machines and larger pieces of equipment needed to perform certain sports, but we stop short of including high-end racing boats and sailing craft in the analysis. We also touch on the impact of digital healthcare apps and related devices – including smartphones and watches – but these are not included in the analysis of revenues and market values.

Impact on traffic

As a result of these macro-economic effects, the sports sector is a key ecommerce performer in Europe. Data shows that 36% of European consumers that are shopping online in 2021 were looking for sports and leisure apparel and equipment. This is only marginally behind books (39%) and homewares (40%), both also seeing a boost from the pandemic and lockdown (see Figure 2).

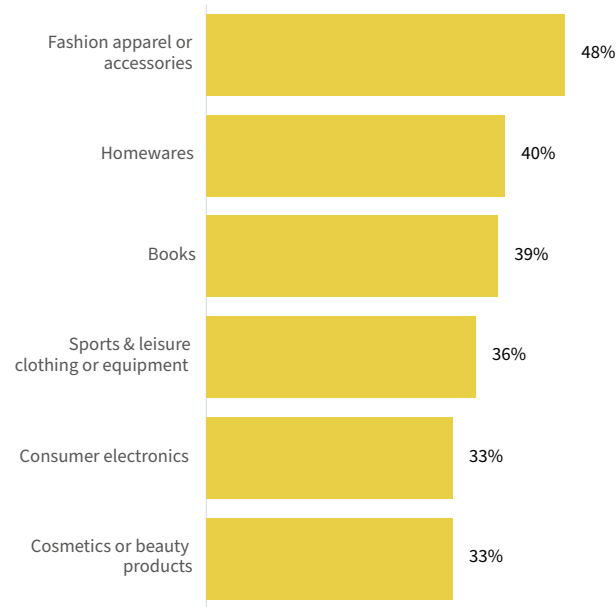
This compares favourably to fashion and apparel, which at 48% isn't too far ahead. It is also worth noting that the shift in consumer behaviour towards athleisureware also ushered in the sale of such goods – along with some sportswear brands – by fashion retailers. This suggests that the reach of the wider sportswear market is perhaps deeper than such segmented data presents, and places sports apparel and fashion sports apparel as a significant opportunity for both sports retailers and those in fashion.

Looking at the relative percentage of web visits to the largest 50 retailers from Europe, Switzerland and UK reveals that more than three quarters (78%) are looking for sports and leisure, compared to 21% seeking out pure fashion (see Figure 3).

The implication is that sports apparel, athleisurewear and 'sports fashion' are leading the dance for many apparel retailers, with sportswear cementing its entrenchment as a sector that straddles both.

FIGURE 2: European online shopping by category 2021

What do you shop for online?



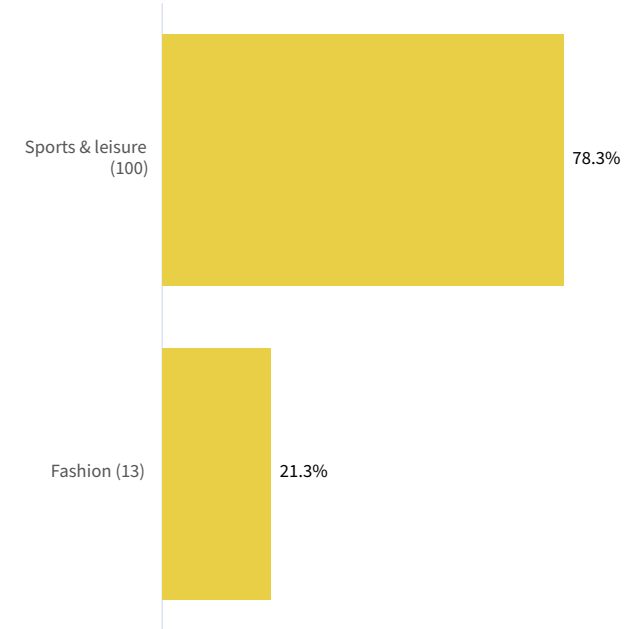
Note: Between 200 to 750 responses from residents of each of the following European countries: United Kingdom, Denmark, Switzerland, Germany, Spain, Finland, Belgium, France, Italy, Netherlands, Sweden and Norway. Results are stratified by age, gender, and country population. Survey conducted in November 2021.

Source: RetailX

© RetailX 2022

FIGURE 3: Percentage of web visits to the largest 50 retailers from Europe, Switzerland and UK

Visits to the largest 50 retailers selling sports, leisure and fashion items



Note: The number of retailers for each category is shown in parentheses. A retailer can fall into multiple categories.

Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

Rise of sustainability

The societal impact of the pandemic not only changed shopping habits, it also saw many people focus on the world around them. The environmental impact of the goods they purchase, how and where they are made and the way they are packaged and shipped has become a particular focus for sports and fitness purchasers.

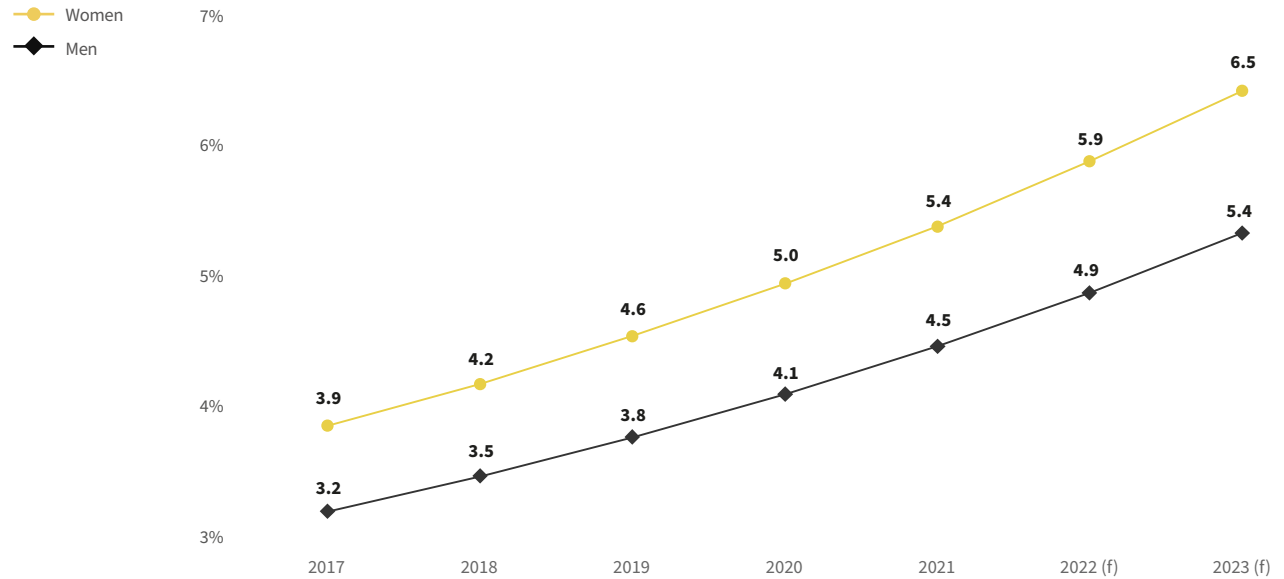
Data shows that around 5% of sports and leisure purchases were made on sustainability grounds (4.5% for men, 5.4% for women) in 2021 and, while relatively small, this is up considerably on the 3.8 and 4.6% seen in 2019, pre-pandemic. The trend here is for exponential growth, with the proportion of sustainable sports goods likely to hit 4.9 and 5.9% by the end of 2022 (see Figure 4).

This puts the sustainable portion of the sports market in Europe at around €600m in 2021 and likely to hit €800m this year.

The onus is now on companies to explore new, sustainable materials, as well as looking at making their manufacturing, transport and packaging as sustainable as possible. Suppliers, producers and brands are also set to look more closely at recycling materials and creating their own markets for second hand sports equipment and apparel.

While the sports apparel and equipment markets reliant on materials, technologies and manufacturing processes that

FIGURE 4: Share of sustainable sports apparel by gender 2017–2023



Note: Sports & Swimwear market consists of swimwear and apparel segments: sports-inspired and performance. Sports-Inspired Apparel comprises sportswear products not currently intended for training only but are increasingly shaping everyday clothing today. All monetary figures refer to annual gross revenue and do not factor in shipping costs. Data current as of October 2021.

Source: Statista

© RetailX 2022

are material and energy-intensive, its user base is more inclined to pay a premium for sustainable goods, with 64% agreeing to pay more for environmentally-friendly products in the sector (see Figure 5). This should act as a spur to the sector to invest in the necessary changes to operations to accommodate these demands.

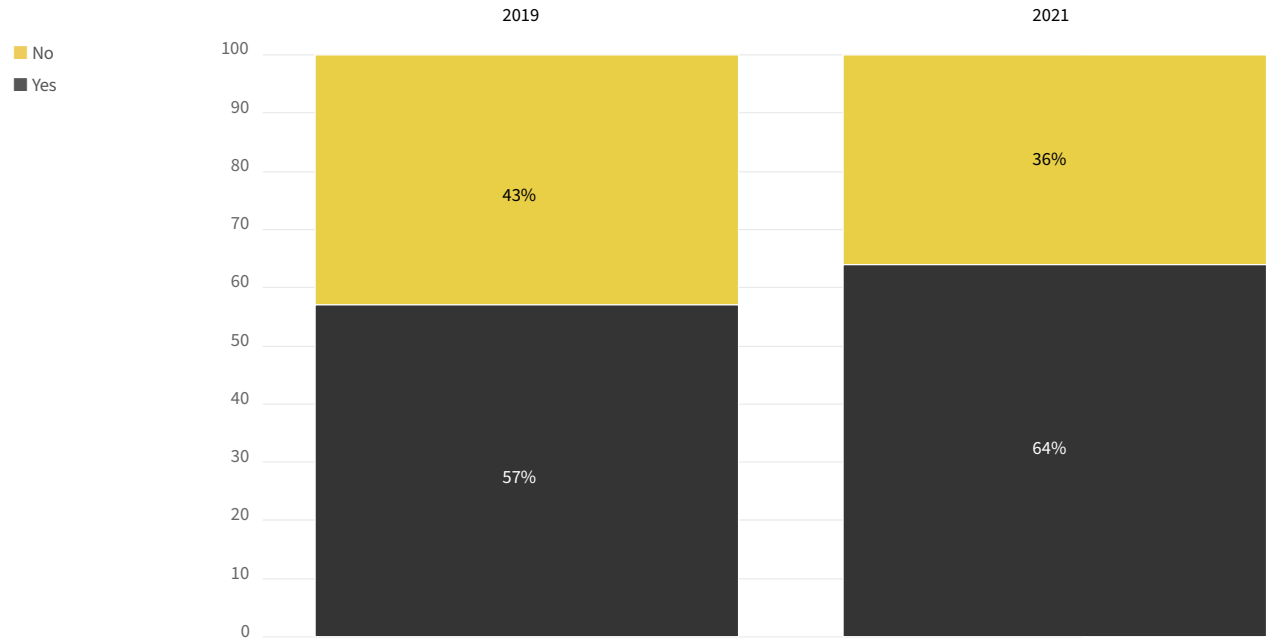
This is already being seen in the sector. Nike, for instance, has seen 99.9% of the waste from its footwear manufacturing business being either recycled, or converted into energy since 2019. It has also cut fresh water use by 23 billion litres a year since 2016. Adidas, meanwhile, states on its website that 60% of its products are made from sustainable materials from 2020.

Brands such as Patagonia, itself a long-term environmentally friendly company with ethical products, is seeing a surge in interest from consumers, with sales picking up as a result.

A raft of new brands have also sprung up putting sustainability front and centre of their ethos and marketing. Organic Basics, Girlfriend Collective and Wolven have all become more popular since 2020, while SportsShoe.com, a specialist running shoe company, has completely rejigged its business to become carbon neutral, so that it can leverage sales as “the world’s most sustainable running equipment retailer” by 2025.

FIGURE 5: Willingness to pay a premium for sustainable sports goods 2019 versus 2021

If you wanted to buy new sports shoes worth €100, would you be willing to pay a premium for an identical pair with environmentally friendly materials and produced with sustainable manufacturing?



Note: Survey conducted between August and September 2021
Survey contains responses from 5190 European participants who are active in sports
Results are presented as stratified according to age, gender and country of residence
Data current as of December 2021

Source: Deloitte

Opening up to digital health and wellbeing

The shift to digital in all facets of life across the pandemic has driven the rise of digital health and wellbeing apps and communities – which in turn have generated increased interest in sports and healthy pursuits. Community peer-pressure and the encouragement given by the apps themselves are seen as a key driver for getting more consumers doing some form of exercise or sport – this in turn driving up demand for sportswear and equipment.

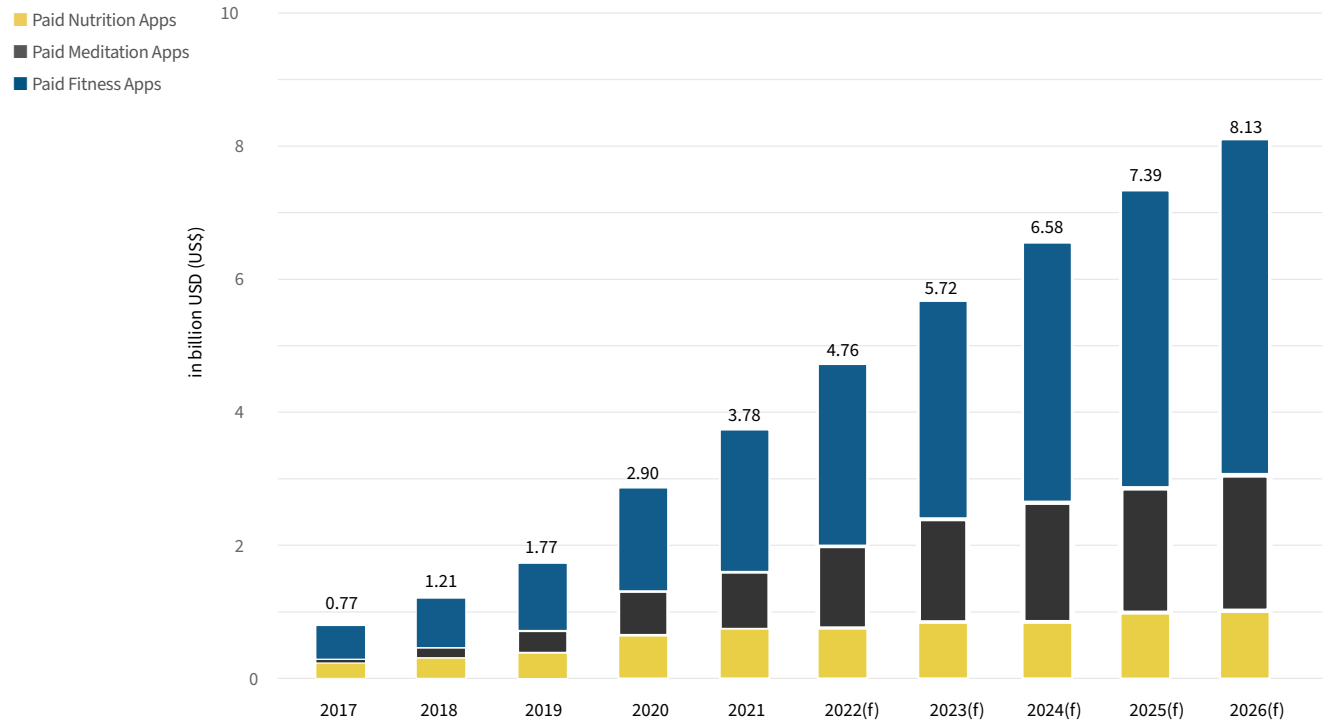
Already, spending on and through these apps themselves is growing significantly in Europe, with the average user spend on paid fitness apps hitting nearly \$60 annually in 2021, up from \$41 in 2017. Growth is projected to continue through the decade.

For the sports equipment and apparel sector, this is potentially big business, not only in terms of selling clothes and peripherals, but also in gaining a foothold in the app spend market itself.

Many key sportswear brands have already created fitness apps of their own to build communities of users, disseminate compelling content to help these users exercise and generating significant revenues through the sale of goods via the app. Paid subscriptions to these health apps are also driving revenues.

For example, Nike's Run Club app was downloaded

FIGURE 6: Digital fitness and wellbeing apps revenue in Europe (\$bn)



Note: Data shown is using current exchange rates.
Data shown does not yet reflect market impacts of Russia-Ukraine war

Source: Statista

© RetailX 2022

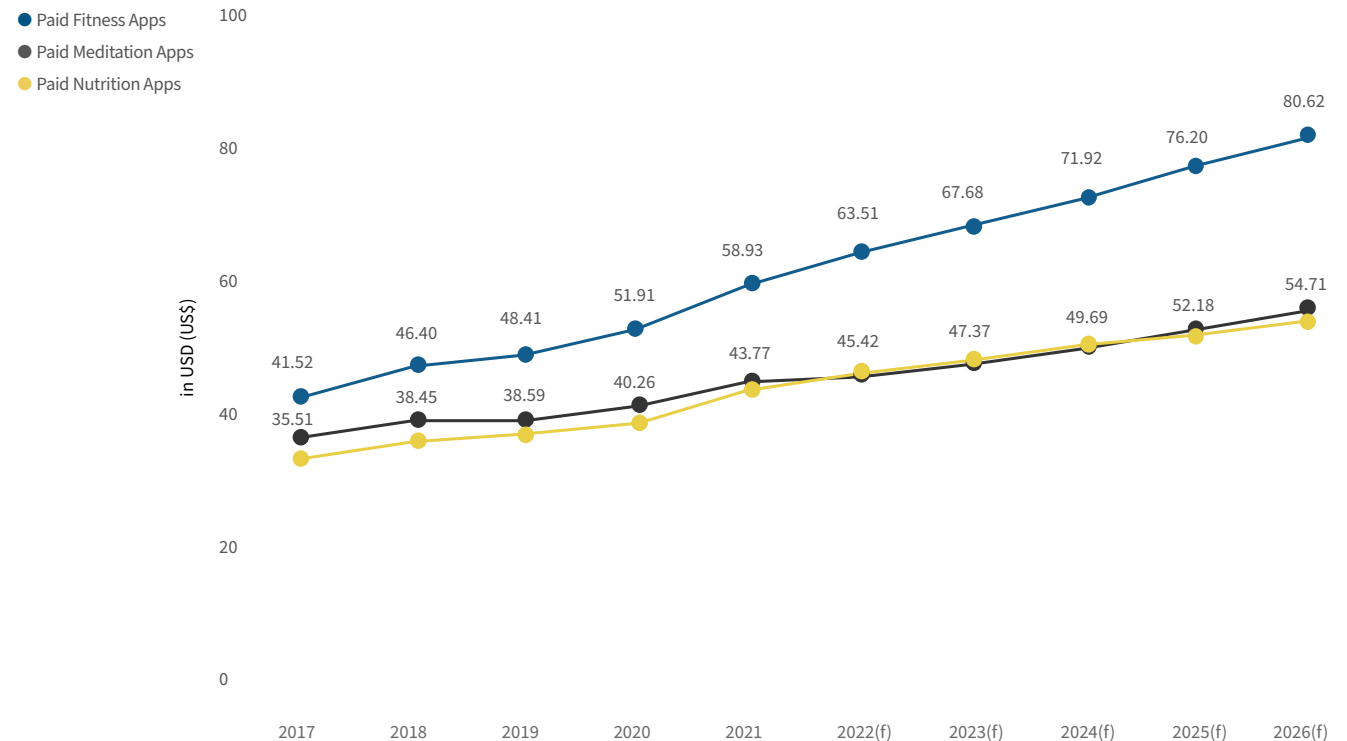
15.4 million times in 2020 – a 45% rise on 2019 – and is now a significant driver of revenues for the company. Analysis also suggests that the strong visibility the app gives the company in the running community helps it command higher prices for increasingly lightweight and technologically advanced running shoes and clothing.

These apps, which rely on members submitting a range of biometric data, such as height, weight, age, shoe and clothing sizes, along with the logging all their exercise, gives sportswear companies unparalleled insight into their customers habits and physicality. This alone is a long-term potential revenue generator for these brands as it allows for ultra-personal marketing relationships.

While the sports equipment and digital health markets got a boost from the pandemic, that didn't necessarily make for universal success. Peloton, maker of high-end cycling machines became a darling of the lockdown, seeing sales grow by 172% in 2020 as stuck-at-home consumers looked at new ways to exercise.

However, come 2021 and the company's stock had plunged 24% and the company laid off 41% of its workforce and stopped production. It simply couldn't keep up with demand and, as lockdowns started to be lifted, demand fell away. The rise of other, more affordable apps that allowed users to do much the same thing only cheaper then filled the void. A cautionary tale.

FIGURE 7: Average revenue per European user for digital fitness and wellbeing apps (\$)



Source: Statista

© RetailX 2022

Sports goods consumers

Consumer interest in sports across Europe has grown significantly between 2019 and 2021 driven by the pandemic

The global Covid-19 pandemic focussed consumer's minds on health and wellbeing and has driven a surge in sporting activity, with data showing that, across Germany, Italy, Spain and the UK, 65% of people are now more likely to consider their health in day-to-day decision-making^[1]. For many this has translated into looking not only at their health, but also their fitness.

The lockdown also forced the closure of almost all social settings and activities and so consumers also turned to exercise, particularly in-home, as a way of relieving boredom and stress.

The increased use of digital services too saw a boom in online health and wellbeing apps and services, which also contributed significantly to this growth.

As a result, individual sports have taken the lion's share of this growth, up 84% across the two years, closely followed by similarly individual activities, such as home

exercise, either self-directed (69% growth) or using digital instructions (72%). Similarly, esports and e-racing – which are often considered as online games – have also seen significant growth due to the move to online, solitary activity, up 40% and 36% respectively (see Figure 8).

Sports pursuits involving two or more participants have seen more modest growth across the period, however this can be attributed more to their later arrival as a post-pandemic consumer choice, rather than lower interest.

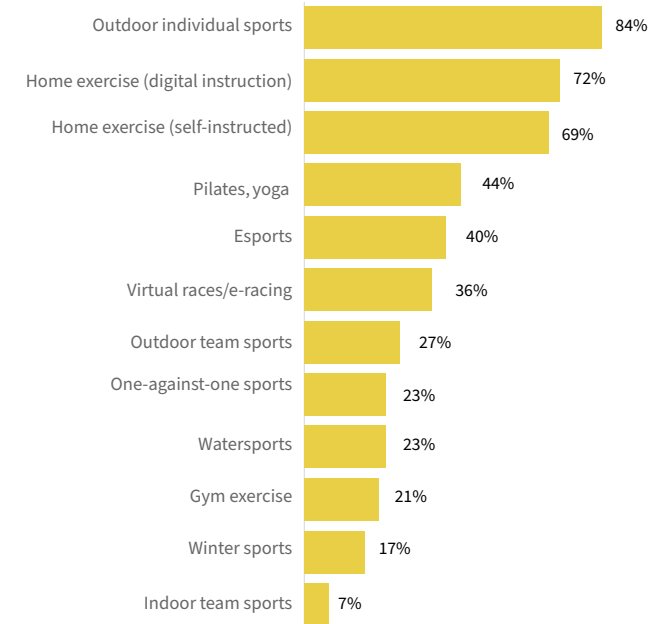
Team sports – both in and outdoor – one-on-one sports, gym sessions and even Pilates and yoga, which are often done as classes, all saw lower growth as they were effectively banned across Europe in 2020.

The slow reopening in mid-2020, followed by re-closure that Winter, has further hampered uptake here and slowed the growth of participation in these sports.

This has shifted across 2021 and into 2022, with the removal of most restrictions and the resumption of group activities, so growth is expected to accelerate in these sectors.

As a result, the distribution by age of consumers taking part in sports in 2021 is relatively evenly spread. Between 17 and 20% of European adults under 55 are active in sports across the continent (see Figure 9, overleaf).

FIGURE 8: Expected European consumer increase in participation in selected sports 2019 versus 2021 (%)



Note: Survey conducted in October 2020
Results show 130 responses presented as a % increase in the projected number of respondents participating in the indicated sport disciplines in 2021
Data current as of 2021

Source: McKinsey and the World Federation of the Sporting Goods Industry © RetailX 2022

Sports goods and in-built obsolescence

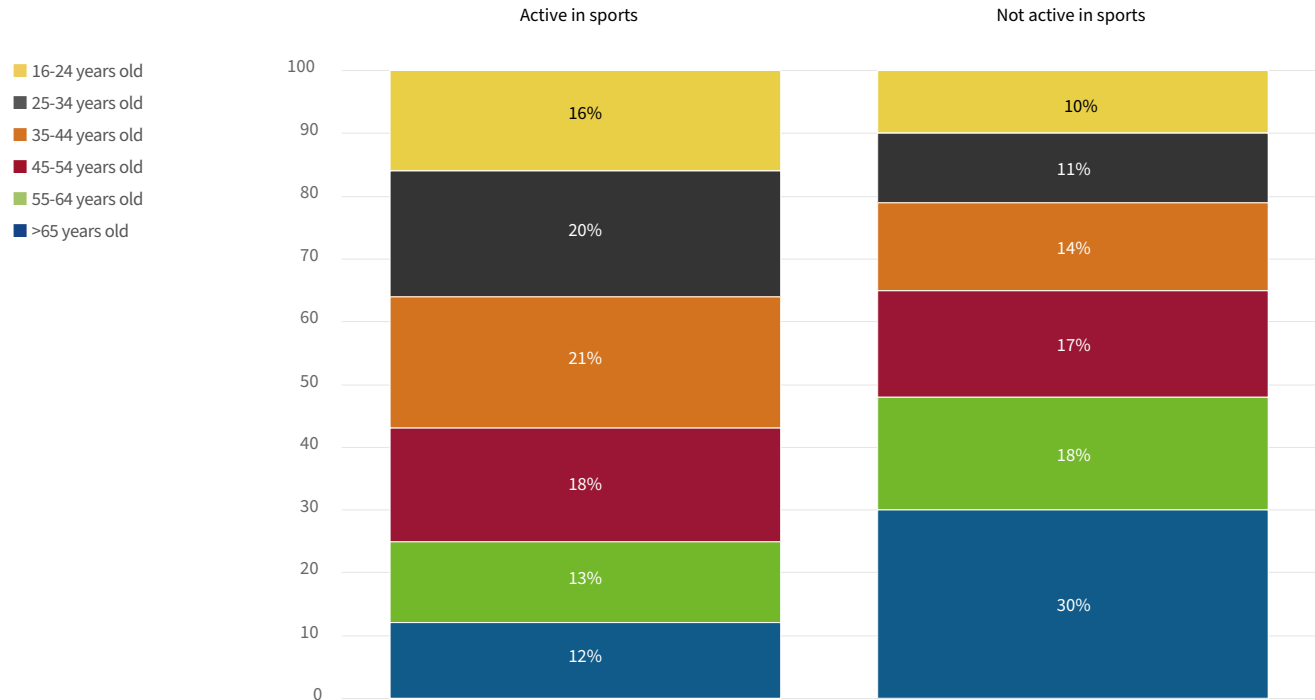
Many users of performance equipment are well aware that not only do their items need to fit and feel right, but they also will only do so for a limited time. In essence, performance sports goods have an in-built obsolescence.

One example are road running shoes. While dedicated users will have their preferred brand and even their preferred model within that brand, they are also keenly aware that they have a lifetime of 500 miles. After this point the supportive foams and the tread start to degrade, reducing impact resistance. For this reason, users of performance running shoes are generally predictably loyal repeat purchasers.

The same applies to many other sporting items: wicking clothing – which uses tiny silver threads within the clothing to help remove moisture and sweat, so the clothes stay dry – also have a limited efficacy with time; and sports bras lose their vital support with repeated use.

All this is a boon for performance sports goods vendors as they have a reasonably predictable repeat purchase timeline and, if sold using ecommerce, an excellent insight into their customers habits.

FIGURE 9: Age distribution of European consumers who are active and inactive in sports in 2021



Note: Survey conducted between August and September 2021

Survey contains responses for 5190 European participants who are active in sports and 4310 who are not

Data current as of December 2021

Source: Deloitte

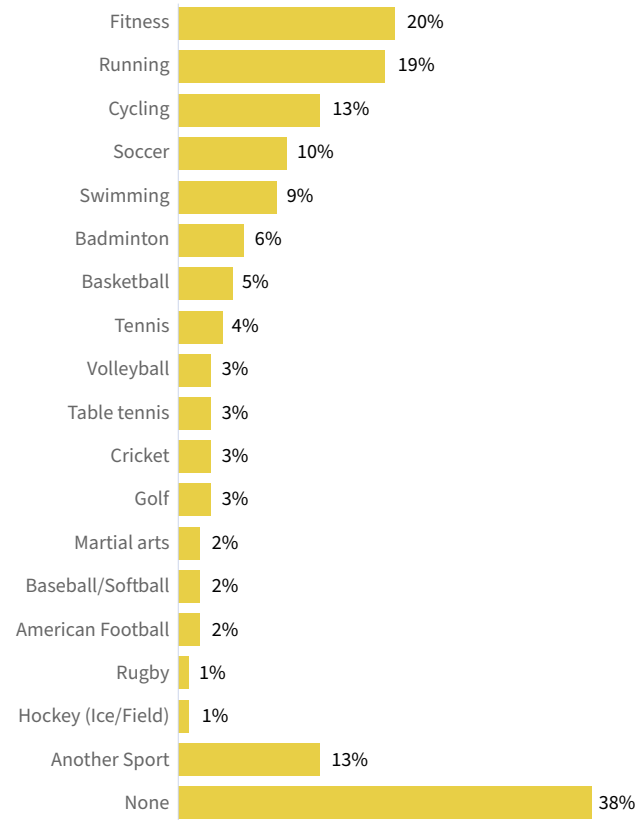
Sports and exercise are increasingly popular in Europe, with the Netherlands leading the world at 12.8 hours per week. Germany, Romania, Russia, Hungary, Belgium and the UK all exceed the Global average of 6.1 hours per week (see Figure 11).

The largest single 'sport' across the world centres on individual physical fitness, typically gym work, with 20% of consumers globally taking part. Running comes a close second among 19% of consumers, along with cycling at 13%. These again show that individual exercising is by far the main way in which consumers interact with sport.

Team sports such as soccer, basketball, volleyball and cricket are also popular, as are one-on-one racquet sports such as badminton, tennis and table tennis. These require both specialised apparel and footwear, along with dedicated equipment, leading to extended growth as these sports grow in popularity post-lockdown.

Spain and Italy, in particular, see low penetration of sports, for this reason, however, their reluctance for sport may be attributable to climate – some 16% of Italians and 14% of Spanish consumers say this is a barrier. There may also be cultural issues at play, with sport not seen as key to a healthy lifestyle as it is in other countries. These two nations were also particularly hard hit by the pandemic, which may also have skewed results ^[2].

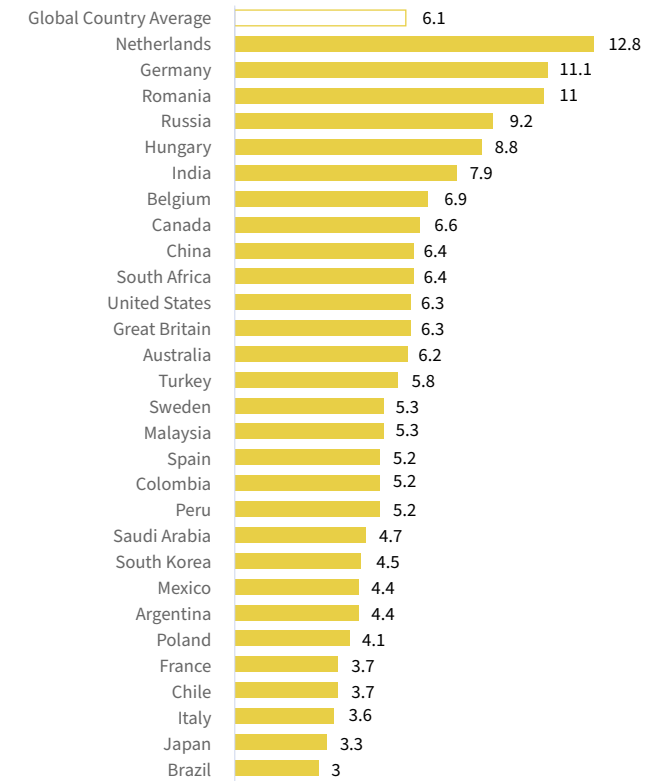
FIGURE 10: Sports played in a normal week globally (%)



Source: Ipsos

© RetailX 2022

FIGURE 11: Mean number of hours per week spent exercising or playing sport globally (2021) (hours/week)



Source: Ipsos

© RetailX 2022

How Europeans shop for sports goods and equipment

When it comes to purchasing sports goods and equipment, European consumers are wedded to physical retail. Pre-pandemic, 67% of them were seen to shop sports in bricks-and-mortar stores. Despite lockdowns in 2020 and the shift to digital for many aspects of life and retail, by 2021 this proportion had only fallen slightly to 63% (see Figure 12).

The allure of physical retail in sports can be categorised in a number of ways. Specialist sports apparel is expensive and, to an extent, bespoke to the user and so try-ons are often seen as imperative. A pair of running spikes, for example, are expensive and many are reluctant to buy them online, try them, then have to send them back. Instore retail allows for a range of similar items to be tried on and assessed in one go before purchase.

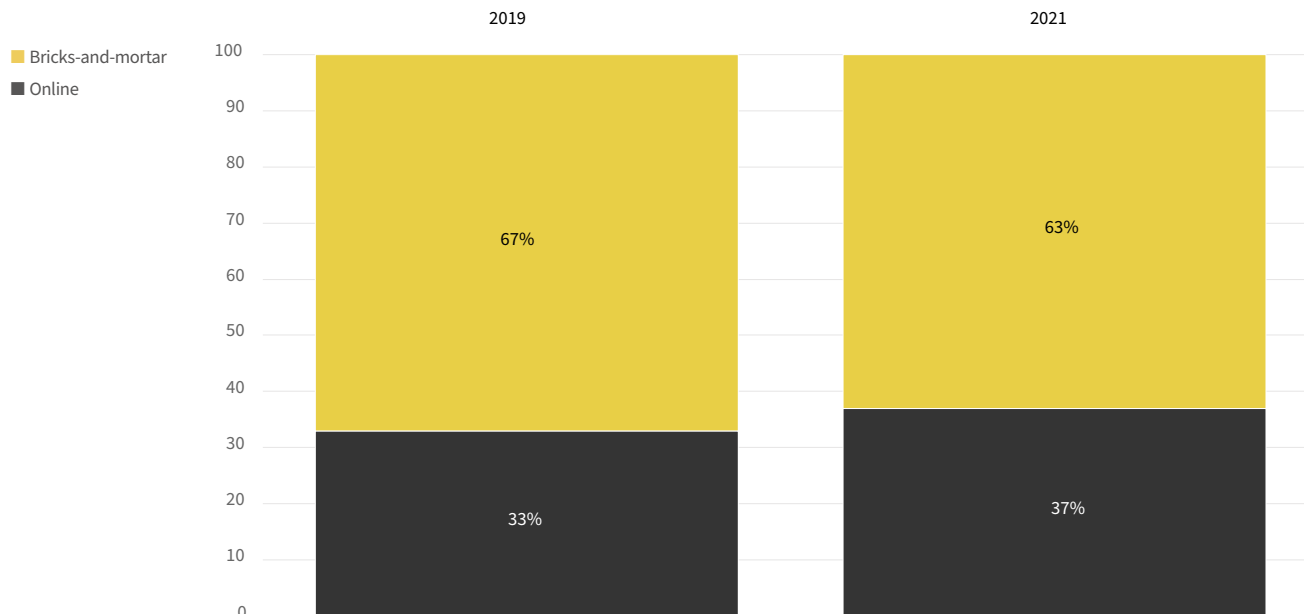
The same applies to sports equipment. The balance and feel of a racquet or bat is as essential as its looks and performance and again, this can be better established comparatively in one visit in a store.

Some sports equipment items are also very large and heavy, so the cost of ecommerce delivery – not to mention any returns – makes purchase of items such as running or rowing machines riskier online.

That said, a third of consumers do buy sports goods and equipment online. Pre-pandemic this stood at 33% and

FIGURE 12: Preferred purchasing channel of sports goods in Europe 2019 versus 2021 (%)

How do you predominantly purchase sports goods?



Note: Survey conducted between August and September 2021
Survey contains responses for 5190 European participants who are active in sports
Results are presented as stratified according to age, gender and country of residence
Data current as of December 2021

Source: Deloitte

the increased use of ecommerce across 2020 has seen this creep up to 37% in 2021. This is primarily driven by the search for a better price and a better selection. Price, as seen, is a major barrier to uptake in participation of sports and so here ecommerce can play a key role in generating growth for the sector by bringing price competition to all markets.

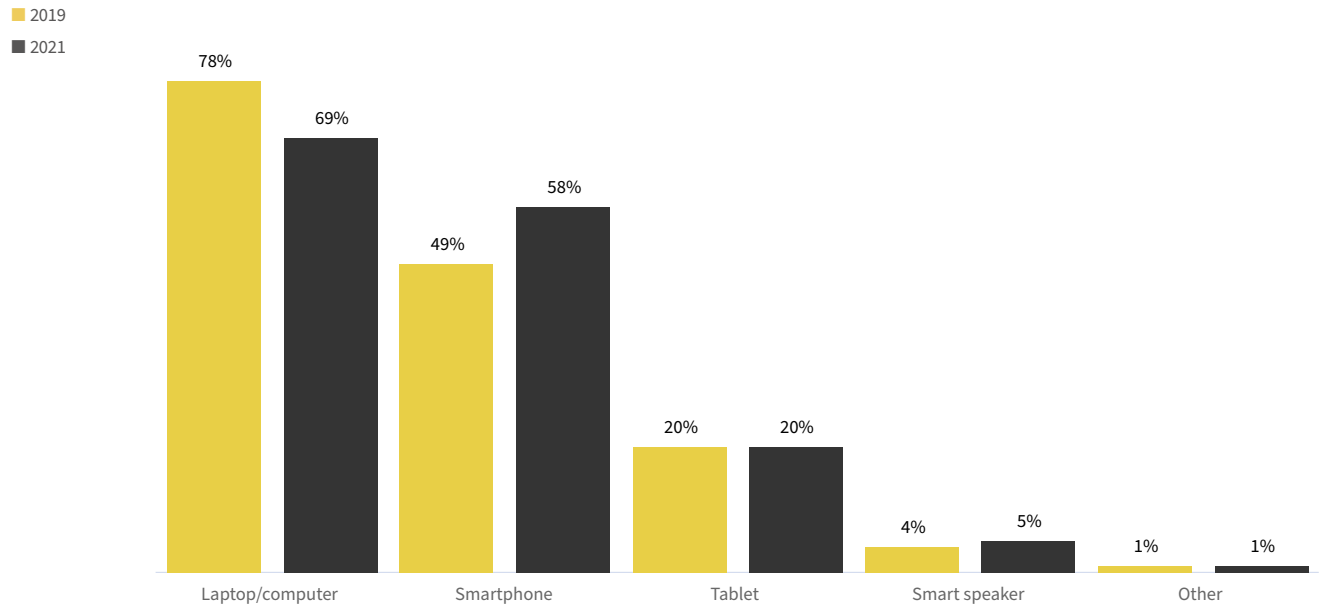
Of those that do shop digitally for sports equipment, the majority (69%) do so on a laptop or PC. Smartphones account for 58% and tablets 20%. Smart speakers are making a showing at 5%, but interest here remains low (see Figure 13).

PCs and laptops are the preferred option of digital sports equipment retail as the larger screen allows for better assessment of what are often quite high value purchases. For sports apparel and performance sports apparel and footwear, the larger screen offers a better conduit to assessing the suitability of goods and is more akin to the experience seen in a store.

Smartphones offer a less detailed interaction and so account for a lower level of online sports purchases. However, the move to digital in the pandemic has seen this rise from 49% to 58% in two years, driven by a younger cohort of mobile-native shoppers looking to buy sports apparel and equipment.

FIGURE 13: Devices used by European online shoppers to purchase sports goods 2019 versus 2021 (%)

Which device have you already used for purchasing sporting goods online?



Note: Survey conducted between August and September 2021

Survey contains responses from 1912 European participants who are active in sports and purchase online

Multiple answers possible

Results are presented as stratified according to age, gender and country of residence

Data current as of December 2021

Source: Deloitte

[1] GSK, <https://www.gsk.com/en-gb/media/resource-centre/covid-19-prompts-increased-focus-on-self-care/>
 [2] Ipsos, <https://www.ipsos.com/sites/default/files/ct/news/documents/2021-08/Global%20views%20on%20sports%20and%20exercise%20Global%20Advisor.pdf>

Sports goods by category

The types of sports apparel and equipment purchased is splitting into distinct groups of performance and fashion

The sports and outdoor goods sector is a broad one and how each part of it has reacted to the changing climate around retail across 2019 to 2021 offers some insight into how the pandemic and its aftermath have shaped consumer sport and exercise habits.

A snapshot of the market shows that all segments – from athletic footwear, to fishing gear, to summer and winter sports, to swimwear and beyond – saw a substantial peak in 2020. During this period, growth peaked at 35% in total across all categories and ranging from 28% for athletic footwear to 45% and 44% for fishing gear and summer sports equipment respectively (see Figure 14).

This spike was a direct result of the pandemic initially seeing consumer investment in equipment for pursuits such as fishing, solitary exercise and other outdoor sports surging during lockdown. It will have come, however, at the expense of team sports equipment and apparel, as well as a drop in footwear sales.

FIGURE 14: Annual percentage revenue change in European sports and outdoor ecommerce by category 2018–2023



Note: The ecommerce market Sports & Outdoor comprises leisure products linked to sports and outdoor activities
 Sports and outdoor items also include clothing, shoes, as well as sports and outdoor equipment
 All monetary figures refer to the annual gross revenue and do not factor in shipping costs
 Data current as of December 2021

Source: Statista

© RetailX 2022

This can also be seen in the average order value per consumer (see Figure 15), which demonstrates that both fishing and outdoor spend increased noticeably between 2019 and 2020. Fishing rose from €12 to €16 and outdoor leapt from €67 to €77, increases of 33% and 15% respectively.

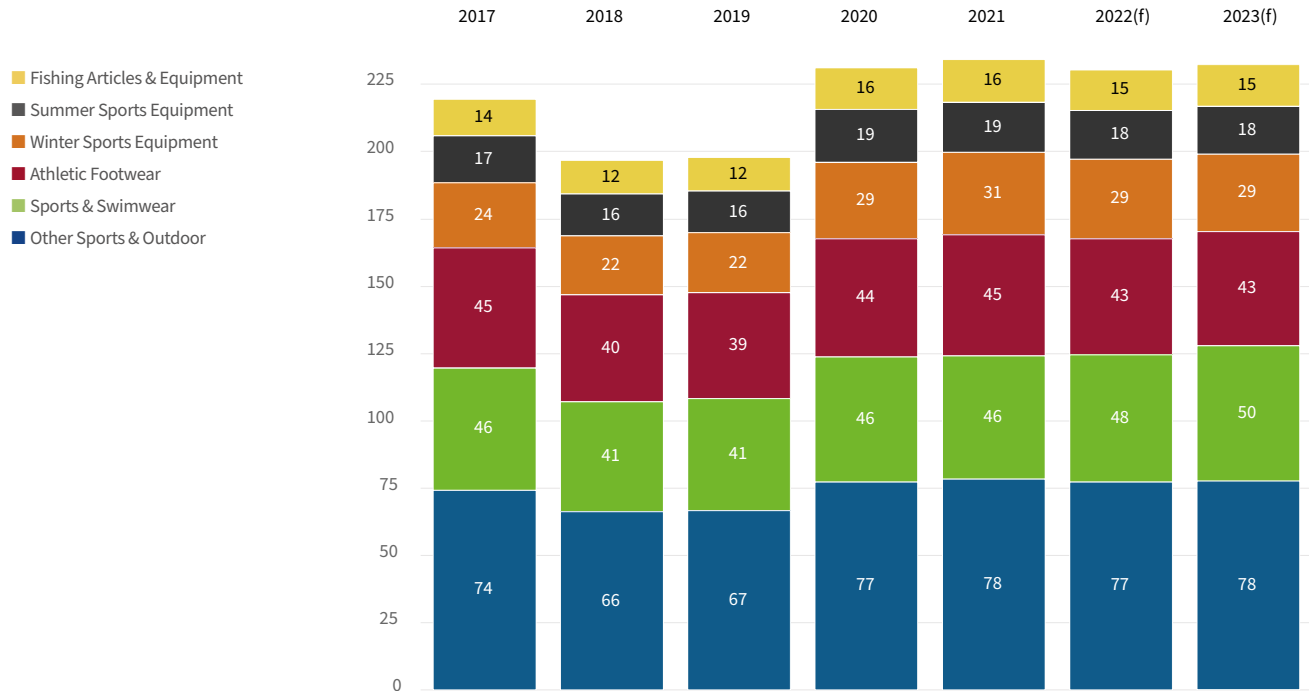
As 2020 progressed – and lockdown criteria relaxed then tightened again – other sectors also managed to put on some growth. Together, these all made 2020 a bumper year for sports goods in all categories.

This growth has slowed in 2021 and looks likely to slow further in 2022, flattening out by the end of this year at a total of around 5% growth year on year. This leaves the relative proportions of each category roughly static going forward, with other sports and outdoor average spend sitting at around €78.

This doesn't necessarily reflect stasis in consumer spending, more it reflects rising sales set against increasingly ruthless price competition across the sector as the popularity of sports items – particularly in sports apparel, which crosses into fashion – grows among the European consumer base.

Some of the key categories have followed their own path across the pandemic and each has its own drivers and retardants.

FIGURE 15: Average revenue per user in the sports and outdoor ecommerce market by category 2017–2023 (€)



Note: The ecommerce market Sports & Outdoor comprises leisure products linked to sports and outdoor activities. Sports and outdoor items also include clothing, shoes, as well as sports and outdoor equipment. All monetary figures refer to the annual gross revenue and do not factor in shipping costs. Data current as of December 2021.

Source: RetailX/Statista

© RetailX 2022

Sports apparel

Sports apparel can be broken down into three elements: sports-inspired apparel; performance apparel and swimwear. Sports-inspired apparel encompasses all those sports clothing items that are typically worn more for everyday wear or as fashion. Performance apparel, which covers all the sports clothing that is actually designed and used for taking part in sport.

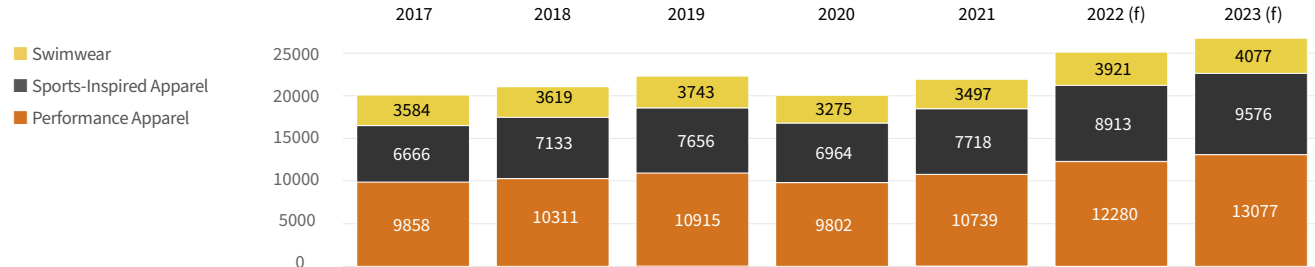
The sports-inspired apparel market has long been an active part of fashion sub-culture. Mods in the 1960s and skinheads of the 1970s, for example, appropriated Fred Perry tennis shirts as part of their 'uniform'. Casuals of the 1980s embraced sports brands from Fila and Sergio Tacchini to Adidas Originals, Champion and Ellesse.

The 1990s saw the rise in Nike as a fashion sports brand, along with fashion players such as Tommy Hilfiger enter the sports-inspired fashion market from the luxury sector.

The 21st century has seen a slow embrace of all these sub-cultures into a retro-chic of sportswear for fashion, while the pandemic has ushered in the embrace of yoga wear as day wear and created its own fashion sub-genre.

This has all been good for the sports apparel sector and has in recent years propelled growth here for the sector, hitting €7.7bn in 2021 and likely to rise to almost €9bn this year (see Figure 16).

FIGURE 16: Revenue of the sports apparel market by category 2017–2023 (€bn)



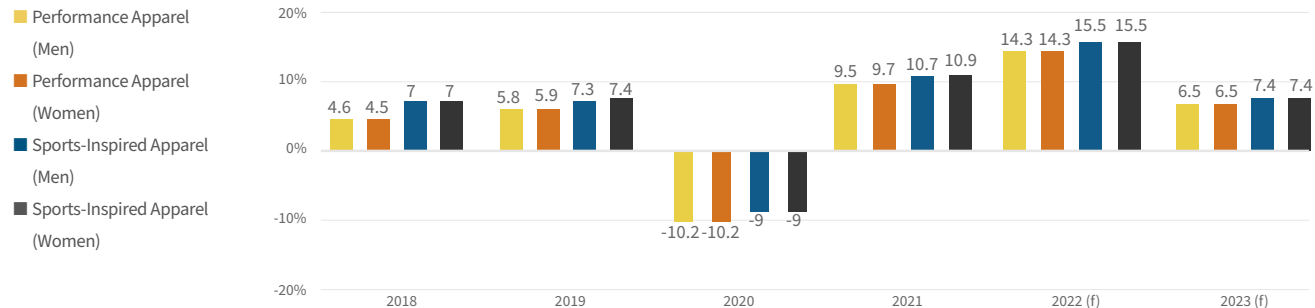
Note: Sports-Inspired Apparel comprises sportswear products not currently intended for training only but are increasingly shaping everyday clothing today. Performance Apparel refers to garments designed to fulfill a specific purpose or function during sporting activities and physical exercise. Swimwear consists of sportswear specifically designed to be used in water.

All monetary figures refer to annual gross revenue and do not factor in shipping costs. Data current as of October 2021

Source: Statista

© RetailX 2022

FIGURE 17: Revenue change by segment and gender for European sports apparel



Note: Sports-Inspired Apparel consists of sportswear products that are no longer only intended for training but are increasingly shaping everyday clothing. Performance Apparel refers to garments designed to fulfill a certain purpose or function during sporting activities and physical exercise. Data current as of October 2021

Source: RetailX/Statista

© RetailX 2022

Despite having a strong crossover with the lucrative fashion sector, sports-inspired apparel plays second fiddle to performance sports apparel in terms of market value. Performance sportswear, purchased for the actual practice of sport, was already an €11bn sector in 2021 and is likely to add a further €1bn in 2022. The sector did take a hit in 2020, with the pandemic ceasing most sporting activity across Europe, but its drop to €9.8bn, was quickly recovered post-lockdown.

The difference in revenues for these two elements of the sports apparel market is one that comes down to price points, rather than volume. While there is a large market for performance sports goods, they also have a higher price point and so generate more revenue for the sector.

Sports-inspired apparel, which is competing more in the fast and high street fashion market, tends to have a lower price point for the majority of goods.

This sees the performance side of the market operating at a higher margin than the fashion side, generating more revenue, even with lower sales. This isn't universally true, however. There are many high-end, high-price luxury 'sports' brands that are more costly than performance sportswear, however these take a much small slice of the market. This segment is growing, as the luxury market starts to rise post-pandemic.

Outdoor wear and cycling

A sub-category of the sportswear/activewear/performance-wear market, outdoor wear – encompassing clothing and footwear for outdoor pursuits – is a €3bn market in Europe, accounting for around half of the total spend in the outdoor sector ^[1], with strong growth predicted for the sector.

As with sports-inspired apparel, outdoor wear is increasingly seen as a lifestyle choice of fashion clothing, with brands such as The North Face and Jack Wolfskin becoming as much about fashion as they are about outdoor pursuits.

Likewise, there is also growing interest in nature, so there has also been a surge in purchases of outdoor clothing and equipment for hiking, camping and mountaineering. For many, these are serious pursuits, but for a growing number of consumers they are hobbies and pastimes.

The surge in dog ownership in lockdowns across Europe has also seen growth in outdoor wear sales, although with a market that is becoming saturated and which has passed its peak, some of this growth in 2020 and 2021 is likely to fall away as the decade progresses.

Cycling, too, has seen a surge in demand across 2019, 2020 and 2021. The European bicycle market grew by an astonishing 40% in 2020, to hit €18bn ^[2]. Off the back of this, the European cycling wear market is also set to rise by 6% between 2020 and 2026 ^[3]. Part of this has been inspired by the lockdown, but there has been a growing mood in Europe towards cycling for everyday transport.

Future growth of these outdoor and cycling segments is very much up in the air, however. While there is consistent cohort of 'performance users' of apparel and equipment, much of the growth seen in the outdoor wear market has come from the lockdown.

Many of those that have purchased outdoor wear – be it for walking, hiking, dog walking or in taking up new adventurous hobbies such as mountaineering, canoeing and even cycling – it has been a transient pastime to fill the gaps in social living caused by the pandemic. As these constrictions fall away, so too may much of this growth in these niche parts of the sporting goods sector.

[1] <https://www.clearwaterinternational.com/assets/pdfs/Outdoor-Equipment-and-Clothing-Clearthought.pdf>

[2] <https://www.conebi.eu/european-bicycle-industry-booming/>

[3] <https://www.researchandmarkets.com/reports/5214414/europe-cycling-wear-market-by-distribution>

Sports footwear

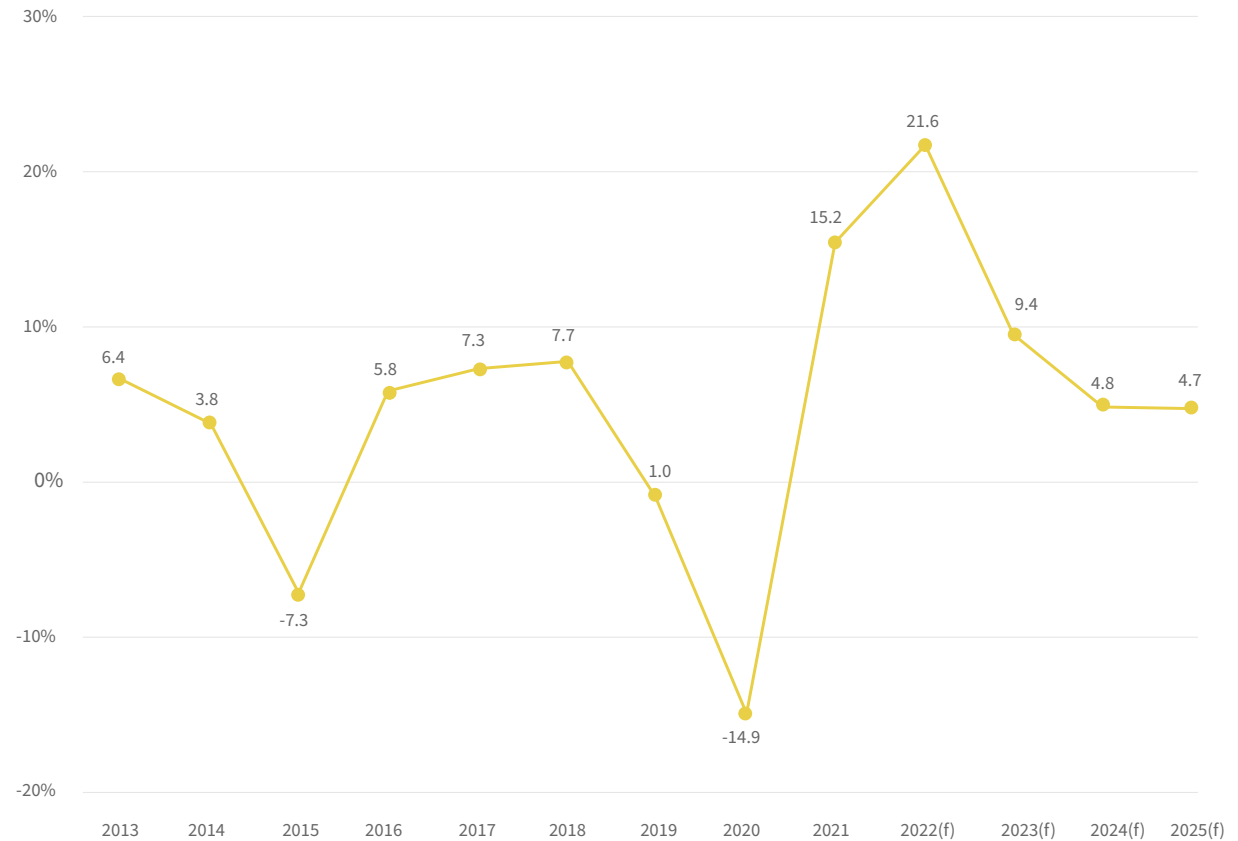
The athletic footwear market in Europe took a tumble in 2020 during lockdown as many sports facilities for serious sporting activities were closed. The bounceback in 2021 has been seismic, with the sector seeing a 15.2% surge in revenues across the continent in 2021 and a further 21.6% predicted for 2022 (see Figure 18).

Here the pandemic has created a greater desire among consumers, especially at the younger end of the market, for a more healthy lifestyle and so many more have taken up sport on a more serious basis. Rising disposable income and a keener interest in having the correct footwear for each sport has also seen a rise.

Growing use of health and fitness apps has also played a role in both creating an appetite for sport and in disseminating information around the correct use of footwear to prevent injury and enhance performance. This has again helped drive up sales of specialised sports footwear at the performance end of the market.

Sports-inspired footwear, which sits firmly in the fashion market, accounts for 40% of the total footwear market in Europe, 3% more than that occupied by athletic and outdoor footwear combined. With the overall European footwear market worth around €130bn, sports-inspired footwear accounts for around €50bn compared to athletic and outdoor footwear's €48bn.

FIGURE 18: European athletic footwear revenue change 2013–2025 (%)



Source: Eurostat

© RetailX 2022

Swimwear

As with other sportswear segments, European sales of swimwear – apparel and footwear used for swimming and beach activities – tracked downward in 2020, as a result of swimming pools and beaches being shut down, and holidays cancelled. As restrictions have lifted, growth is expected to hit 12.1% in 2022, with some pent-up holiday demand being released (see Figure 19). The segment is set to then settle at a level above where it was in 2019.

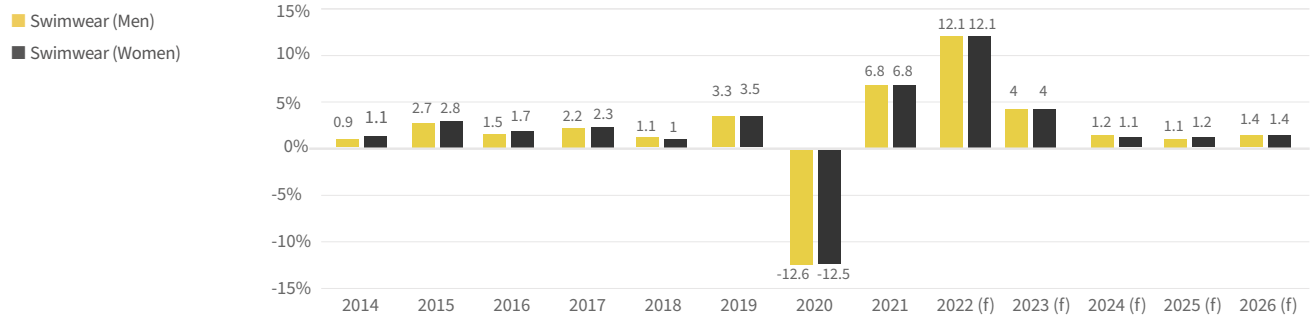
What marks out the European market for swimwear is that it is both a large importer – from within and without the EEA – as well as being a large exporter and re-exporter of products to the rest of the world.

Over the past five years, the value of EU swimwear imports has grown at 8.5% annually, which is higher than the 5.8% average growth of all EU apparel imports^[1]. In 2019, the value of swimwear imports to Europe, including intra-EU imports, amounted to €2.1bn, up from €1.4bn in 2014 (see Figure 20).

Germany (€295m), France (€176m), the Netherlands (€171m), Italy (€166m), the UK (€157m) and Poland (€109m), were the biggest exporters of swimwear. Together, these six countries represent more than 70% of the EU's swimwear apparel export market.

[1] <https://www.clearwaterinternational.com/assets/pdfs/Outdoor-Equipment-and-Clothing-Clearthought.pdf> [1] CBI, <https://www.cbi.eu/market-information/apparel/what-demand>

FIGURE 19: Revenue change for the swimwear sector, by gender, 2014–2026

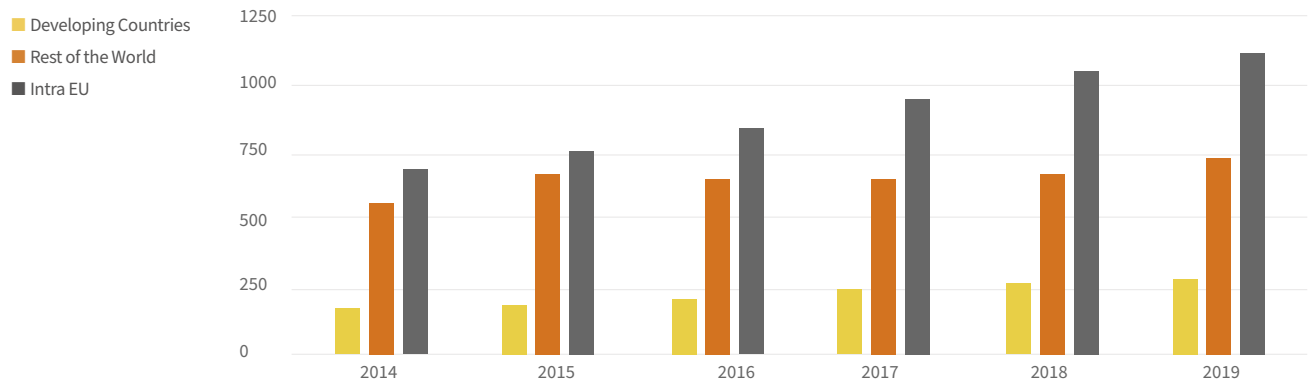


Note: Swimwear consists of sportswear specifically designed to be used in the water
Data current as of October 2021

Source: RetailX/Statista

© RetailX 2022

FIGURE 20: EU swimwear imports by country of origin 2014–2019 (€m)



Source: RetailX/Statista

© RetailX 2022

Athleisurewear

Athleisurewear was already a key trend pre-2019, but the blurring of the work-home model saw its sales increase across 2020 and 2021, showing greater resilience to the changing environment, as the pandemic played out, than mainstream fashion. This trend is set to continue.

The sector has grown out of the already-present trend for sportswear as fashion/casual wear, which itself has seen strong growth for many years and shows no signs of slowing (see Figure 21).

There are a number of key drivers for this. Firstly, the shift to home working has seen what would have been deemed casual sportswear now become acceptable garb in many more 'formal' settings. As a result it has become not just a specialist clothing segment for sports, but one that is also targeted by fashion brands. As such the line between sportswear and fashionwear has also blurred considerably.

Changing consumer habits have also seen many shoppers putting a healthy lifestyle ahead of other pursuits, setting exercise up as part of their daily life and something that is worked into their work and leisure routine.

For example, in many business sectors it has become more acceptable to arrive for a Zoom meeting in sportswear fresh from a workout or a bike ride.

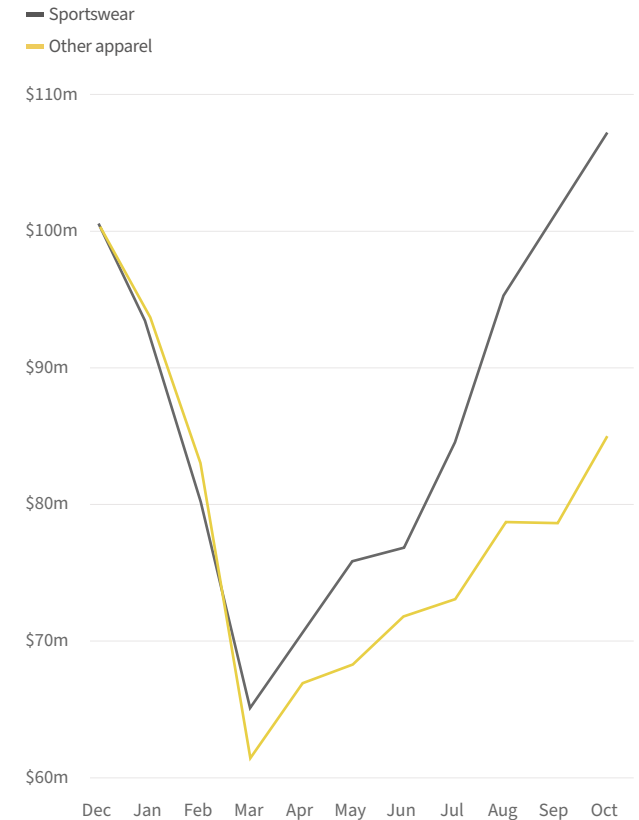
The rise of digital fitness apps and services during the pandemic has also driven more consumers to embrace sportswear in their everyday life, setting digital workouts at home as part of their workday.

The sportswear industry has been quick to combine this with the increasingly fashion-forwardness of its clothes to create garments that satisfy the demands of fashion, leisure and sport to create this new athleisurewear sector.

Other factors have also shifted the fashion emphasis towards athleisurewear, with increasing direct-to-consumer online sales from sports brands taking off in 2020, a growing use by the same of social media and social media influencers and a shift to marketing their wares more digitally with sporting events were shown online from empty stadia.

The current leaders in the athleisurewear market are Nike and Adidas, with the former dominating the space. Relatively new entrant Under Armour has grown a strong presence in the market, as has Lululemon, both of which occupy significant niches in the pantheon of sports brand fashion sales.

FIGURE 21: Sportswear versus other apparel companies 2020



Source: McKinsey

© RetailX 2022

Sports equipment

The equipment needed to play sports – such as balls, racquets, bats, gym equipment, skis, goals, hoops, fishing rods and even skateboards – makes up a sizeable chunk of the sports goods market.

Figures, however, are hard to come by for equipment as a whole, but this segment of the sector has followed a similar trajectory to that of apparel, footwear and swimwear, in that it has seen a lockdown-induced dip in 2020, then a surge in 2021 and is expected to level off in 2022. A look at a breakdown by some of the items demonstrates this.

Tennis offers a good indicator. Europe has 52% of the world's tennis clubs and the tennis racquet market in Europe is expected to grow from €103.55m in 2021 to €114.13m by 2028 – a CAGR of 1.4%. This is driven by increasing interest in personal health, as well as by technological innovations in racquet manufacture that offer better control and more accuracy ^[1].

The market for footballs – hand stitched, machine stitched, and thermally bonded, training ball, match ball and others – also demonstrates how sports equipment has performed. Europe and the US dominate this market, and while sales plummeted in 2020, they have bounced back in 2021 and are set for impressive growth.

The global football market size was valued at \$1.9bn in 2019 and is estimated to reach \$3.7bn by 2027. The global market is forecast to grow at a CAGR of 18.3% from 2021 to 2027 [2].

Conversely, the European home fitness equipment market has boomed during the lockdown and, while set to continue to grow, has tailed off more rapidly than other sports equipment types. The home fitness and gym equipment market was valued at €2bn in 2021 and is set to grow by 3.1% annually between 2021 and 2031 [3].

This will be driven by lifestyle changes, as well as the rise of health and fitness apps. Technological innovations are also set to play a role, creating new and exciting ways to exercise at home, bringing together fitness equipment with virtual and augmented reality.

[1] <https://www.businessmarketinsights.com/reports/europe-tennis-racquet-market>

[2] Allied Market Research, <https://www.alliedmarketresearch.com/football-market-A11328>

[3] Report Ocean, https://reportocean.com/industry-verticals/sample-request?report_id=GMD1035

Counterfeit sporting equipment

The market for sports equipment is so large and lucrative that it has become a heaven for counterfeiting, with as much as €500m lost each year in Europe alone.

A study by the Office for Harmonization in the Internal Market (OHIM), the EU's largest intellectual property agency, showed that sales lost due to counterfeiting of sports equipment – not including sportswear – correspond to 6.5% of all sales in this sector across the EU28.

Every year, an additional €360m is lost across the EU due to the indirect effects of counterfeiting of sports equipment – as manufacturers buy fewer goods and services from suppliers, causing knock-on effects in other areas. The study also showed that an estimated 2,800 jobs are absent in the sector throughout the EU, as manufacturers shoulder the cost of counterfeiting.

In addition, up to €150m is lost annually in government revenue throughout the EU due to sports goods counterfeiting. This includes tax, social contributions and VAT that are not paid by producers and distributors of fakes.

European regional markets for sports

Europe is home to some of the world's best known sports brands and that drives both domestic growth and exports

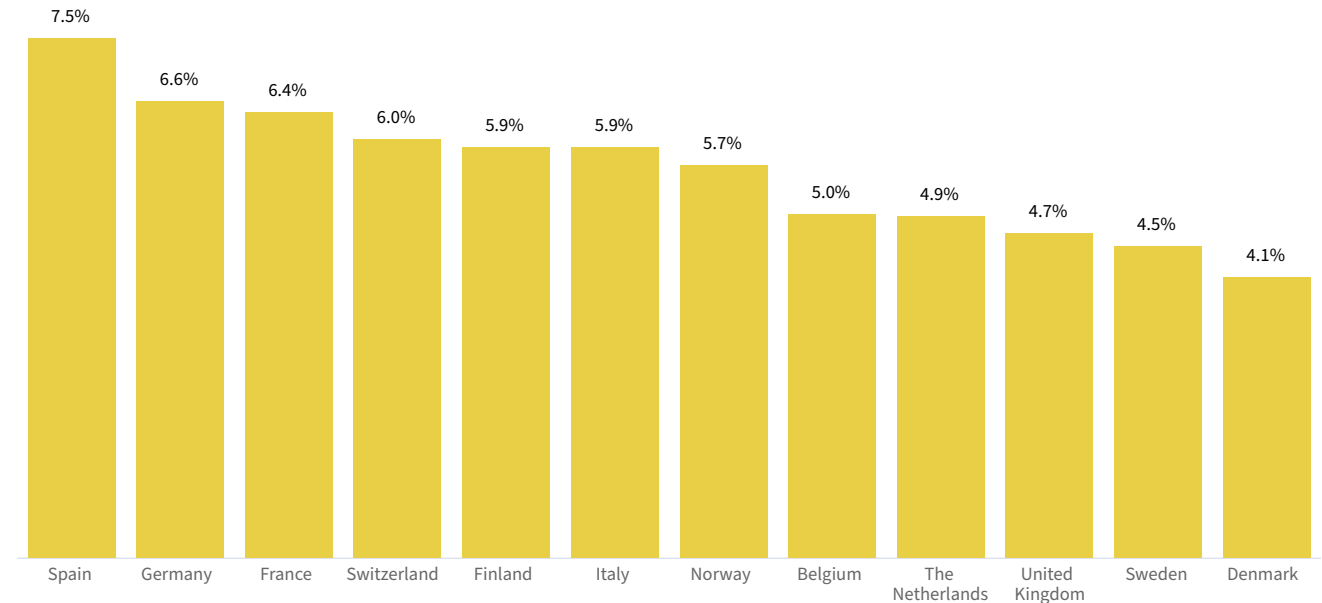
Europe is home to some of the world's best known sports brands, including Adidas, Puma and Fila and the Western European markets of Germany, France, Italy, Spain, the United Kingdom and the Netherlands dominate the continent. Central and Eastern European markets are by comparison smaller, but offer greater potential for growth.

Analysis of how European sports consumers shop uncovers that fewer than 10% are actively buying sports goods online across the region. These low levels of online shopping in the sector are attributable to consumers looking for an instore experience when choosing sports items, based around many performance sports goods being more of a considered purchase. This has led to only slow growth in online sports retail, despite the digital impetus of the pandemic.

Interestingly, the largest proportion of sports shoppers out of the whole ecommerce population can be found in Spain (7.5%), which has one of the lowest uptakes of sport as a

FIGURE 22: Proportion of European shoppers buying sports goods online by country 2021

What do you shop for online?



Note: Survey conducted in November 2021

Survey contains responses from residents in selected European countries: United Kingdom (723), Spain (722), Italy (717), Sweden (458), Norway (358), The Netherlands (441), Switzerland (356), Finland (375), Germany (679), Denmark (339), France (691) and Belgium (372). Results are presented as stratified according to age and gender.

Data current as of April 2022

Source: RetailX

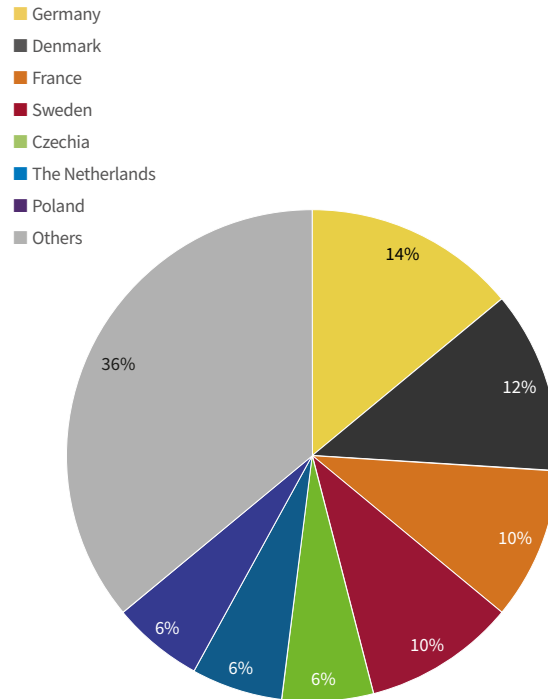
© RetailX 2022

pastime of any of the nations in the EEA (see page 15). Conversely, the Netherlands, which sees the highest weekly number of hours per week spent exercising, has relatively low sports ecommerce penetration (4.9%) (see Figure 22).

This can be explained with reference to consumer behaviour dealt with in the previous chapter. Many consumers want to shop for performance sports goods and equipment in person to get the right fit of these often high-value items. In countries where sport is more prevalent, as sports buyers are more dedicated to finding the right equipment and apparel. This leads to a more store-focussed shopping journey. In less sports-orientated markets, the reverse is true, leading to higher levels of ecommerce, as seen in Spain. The data, however, doesn't show the role online plays in researching pre-purchase, which as with all sectors is likely to be increasing.

The impact this has on the location of the largest 50 brands and retailers in Europe is less clear cut (see Figure 23). Germany and Denmark have the largest concentration of Top 50 sports retailers based on online traffic, accounting for 14% and 12% of the market respectively. Germany has the second highest number of online sports shoppers, while Denmark has the second lowest. The Netherlands, which has the most sporting consumer base, has one of the lowest online sports penetrations and only 6% of the retailers.

FIGURE 23: Countries where the largest 50 sports retailers are based

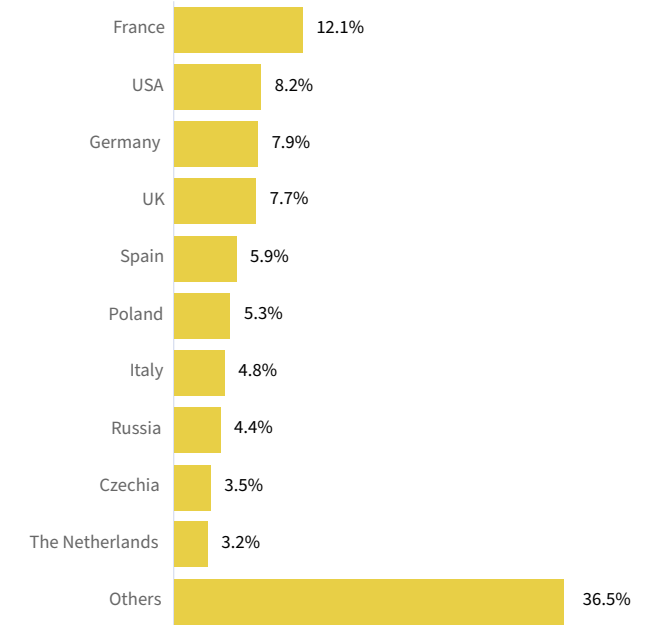


Note: Retailers in the Largest 50 are selected based on European, Swiss, and British consumer web traffic, irrespective of where they are headquartered
Data based on 92.0% of the Largest 50

Source: RetailX

© RetailX 2022

FIGURE 24: Countries from which European shoppers visit the largest 50 sports retailers (%)



Note: There are 44 retailers based in Europe, Switzerland, and the UK among the Largest 50
The Largest 50 are selected based on European, Swiss and British consumer web traffic
Data based on 92.0% of the Largest 100

Source: RetailX

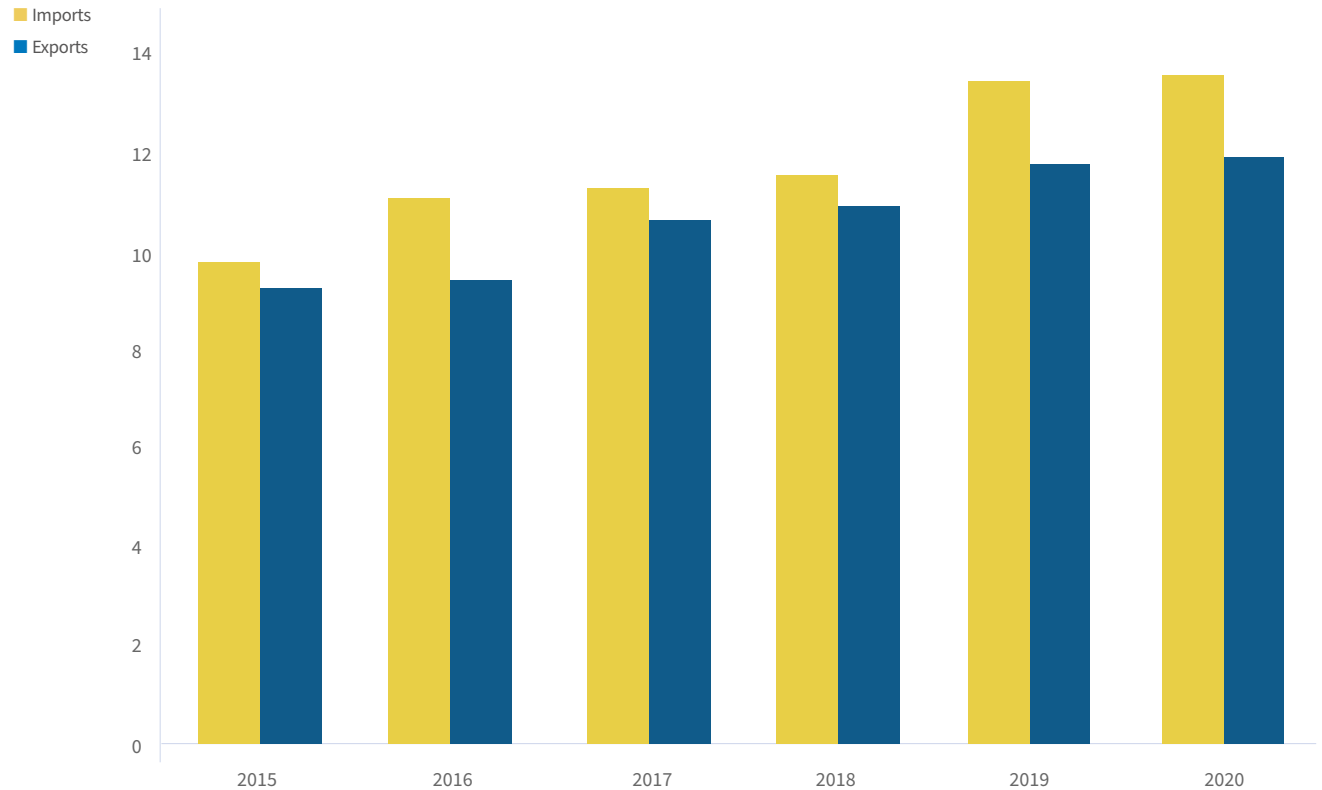
© RetailX 2022

This, however, says more about the European sports retail industry than it does about consumers. The data suggests that the market is relatively strong as a cross-border market. For example, 7.9% of German consumers visit Top 50 sports retailers, while 14% of those retailers are located in Germany. Similarly, 12% of French consumers visit Top 50 sports retailers, even though France is the HQ country for only 10% of those companies. More than 8% of that Top 50 site traffic comes from the US (see Figure 24).

Together this suggests that the online sports goods and equipment market in Europe is one that is less impacted by borders than some other retail sector. This can be explained by the bespoke and high-end nature of many of the goods being sold. Shoppers are looking for key brands that they know and regularly use, or are shopping for the best and are prepared to not only pay for that, but are also focussed on procuring the items regardless to some extent of where they are coming from.

Even the UK, which potentially has extra hurdles in terms of buying from the EU post-Brexit, has a strong 7.7% traffic to the Top 50, indicating that many British consumers are still shopping European sites for sports goods. This is driven by sports shoppers in the UK continuing to value specialist brands and retailers in the EU and is a clear exemplar of how performance sports users value their choice of items over all other factors.

FIGURE 25: EU import and export trade in sporting goods 2015–2020 (€bn)



Source: Eurostat

© RetailX 2022

Imports and exports

Europe is a major manufacturer and supplier of sports goods and equipment, but between 2015 and 2020 it has seen a rise in imports. Both imports and exports have increased compared with 2015, in relative terms, imports recorded a higher growth than exports (+37.8 % against +28.2 %), corresponding to an increase of €3.7bn for imports against €2.6bn for exports. As of 2020, Europe saw €11.8bn of exports and €13.5bn of imports ^[1].

Sports footwear is driving European export growth, increasing 74% between 2015 and 2020. Much of this went to the USA, Hong Kong, Japan, China, Russia, Korea, Turkey, Canada, UAE, Ukraine, where European sports brands have a growing cache among all demographics. The largest decrease in exports has been seen in skis, which fell 5% and balls which dropped by 4%.

Europe is importing a growing number of boats and water sports equipment, up 155% in the five years to 2020. There has also been a surge in imports of gymnastic, athletic and swimming equipment, rising 33% over the same period.

In 2020, Germany and the Netherlands were the EU's largest exporters of sporting goods in terms of value with exports around €5.3bn each, followed by Italy (€4.4bn) and Belgium (€3.6bn). The largest importers were Germany (€6.3bn), the Netherlands (€4.7bn) and France (€3.7bn). Italy has the largest trading surplus at €23bn, with the

country exporting almost twice as much sports related goods and equipment as it imports ^[1].

Intra-EU trade in sports goods is strong, with a 51:49 split between imports that originate within the EU and those from without. These intra-EU fashion sportswear imports are dominated by Germany with 11.7% of market share – equivalent to a market value of €1.8bn. It is followed by Italy with 5.7%, the Netherlands with 5.3% and Belgium with 4.9% ^[2].

Poland, meanwhile, is one to watch. It has seen some of the fastest growth in sports goods imports of any nation in continental Europe and has a large and increasingly affluent consumer base. It is also one of the up and coming online retail marketplaces.

[1] Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=International_trade_in_sporting_goods#The_value_of_extra-EU_trade_in_sporting_goods_in_2020

[2] CBI, <https://www.cbi.eu/market-information/apparel/sportswear/market-potential#what-makes-europe-an-interesting-market-for-fashion-sportswear>

Extra-European sports imports

While there is a healthy export and intra-European trade in sporting goods and brands, other regions are also starting to impact the market.

In 2020, China accounted for 30.9% of imports, Vietnam 10.3% and the Cayman Islands (11%) – and taken together accounted for more than half of all imports into the European sports goods market.

The share from China was lower in 2020 than in 2015 (30.9 % compared with 37.6 %), while the share of the Cayman Islands grew by 9.1% from 1.9 % in 2015 to 11.0 % in 2020. Vietnam also registered a slight growth (from 9.7 % to 10.3 %).

China's exports to Europe centre around sports goods and apparel for general physical exercise, while almost all of those imported from Vietnam are sports footwear. The Cayman Islands almost entirely supplies boats and luxury yachts, the latter lying outside this report's remit.

Post-Brexit the UK is also now classed as an extra-EU import and accounts for 9% of imports into the region.

Key players and performance

Big brand retailers dominate, but physical retail continues to drive sales

Sports goods are sold through a wide range of retailers, stores and distributors across Europe, with the market split between specialists, multi-sport retailers and brands. Marketplaces also increasingly play a role and the sector is also seeing indirect and digital competition coming from other sectors, such as fashion brands, department stores and other retailers.

The main sports retailers types

The main sports sellers can be further broken down into:

- **Large multi-sport retailers (LMRs):** These make up the bulk of the sports retailers in the market and are comprised of retailers that sell a wide range of sports goods for all manner of sports and pastimes, catering to a very large customer base. They are, however, still specialised in sports and outdoors, and so are able to offer goods to both performance and casual sports users. Leading examples in Europe include Decathlon and SportsDirect. These retailers were traditionally bricks-and-mortar-based, but have gradually opened up to ecommerce and are now considered omnichannel;

- **Specialised brands:** These serve the more specific needs of experienced and performance sportsmen and women. They attract loyal customers and, while not as far reaching as LMRs, have adapted to ecommerce over the pandemic quite well. France's Espace Foot is one example;
- **Branded stores:** To differentiate themselves from retailers and capture their customers directly, some major brands, such as Nike, Adidas and Lacoste, have created their own sales outlets stores. These straddle LMR retailing, specialist brand retailing and fashion retailing. They often have flagship physical stores – that also incorporate cutting edge technology – and are also moving into ecommerce and omnichannel;
- **Sportswear brands:** As the name suggests, these cater to the needs of shoppers who use sports clothing as fashion. They sell popular sportswear apparel and footwear – along with peripherals such as bags – but trade not only on the names of the brands they sell, but on their own brand name. One of the best known is Foot Locker.

Indirect, direct and digital competitors

While the mainstream of sports retail comprises a range of competing models from LMRs to branded stores to specialists, there are a range of other players competing for the sports goods market, particularly sportswear-as-fashion. These include:

- **Supermarkets:** Supermarkets and their websites have moved rapidly into competing with many retail sectors outside of their traditional food retail. Fashion and

apparel has been a big growth area and the shift to fashion sportswear has seen many supermarkets also start to sell their own brand sportswear and equipment, as well as branded items. They do not have the reach of LMRs or specialist brands, but do have an impact on sales from the former, taking some customers and diverting other would-be buyers, particularly within the cohort of shoppers not looking for serious sports participation;

- **Department stores:** Similarly to supermarkets, many European department stores have added sports goods to their inventory and have opened franchises with sports brands to capitalise on the move to sportswear-as-fashion;
- **Fashion brands:** Ready to wear fashion retailers are also selling their own and branded sportswear. As with supermarkets and department stores, this doesn't necessarily eat into the performance and specialist end of the sports goods market, but does dilute sales of fashion sports goods;
- **Marketplaces:** Mainstream marketplaces, such as Amazon and eBay, have long been sellers of sports goods, both branded and not. With some reluctance, brands such as Adidas and Nike have opened their own branded stores within marketplaces, often selling end of line and other items in a bid to avoid cannibalising their own market. Retailers such as Decathlon have gone a step further and opened their own marketplaces to augment their core specialism and extend their reach across the wider sports goods market. Other more specialised marketplaces that cater to specific sports are also starting to emerge.

Key players

The European sports goods market is served by an array of online and omnichannel retailers, with each country having at least one major merchant in the Top 100. The Top 20 (see table right and overleaf) show a good spread also, however not all markets are represented.

Germany, for instance, has several players in the rankings. This is indicative of the size of the German market for sports and outdoors goods and equipment. It is also a result of cross-border ecommerce from elsewhere in Europe – typically near neighbours such as Switzerland, Austria, Poland and the Czech Republic – also sustaining these numerous retailers.

The UK, by contrast, has just one – Sports Direct – in the Top 20, the result of a strong domestic market, but limited pan-European cross-border appeal.

The distribution of retailers around the continent is also impacted by some leading brands, typically giants Nike and Adidas being internationally available through all of these other retailers and in branded stores everywhere.

Each of these retailers in the Top 20 is also characterised by selling a very wide range of sports, outdoor, leisure and fashion apparel, footwear and equipment. The chart, right and on page 32, shows that almost all of them sell across all these categories, as well as selling related equipment.

| COMPANY NAME | PRODUCT TYPES SOLD | HQ LOCATION |
|--------------|--|-------------|
| Decathlon | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Health/Sport electronics | FR |
| Sport Depot | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear | DE |
| Stadium | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Cycling and non-powered vehicles | SE |
| Kibuba | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear Cycling and non-powered vehicles | SI |
| Intersport | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment | CH |

| COMPANY NAME | PRODUCT TYPES SOLD | HQ LOCATION |
|--------------|--|-------------|
| Fjallakofinn | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment | IS |
| Sport Master | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment | DE |
| SportsDirect | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear Cycling and non-powered vehicles | GB |
| Outnorth | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear Cycling and non-powered vehicles | SE |
| Bikester | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Health/Sport electronics | DE |

Some additionally sell cycles and other non-motorised vehicles used for sport and leisure.

The sports goods market is also marked out by there being a segment of consumers that are deeply embedded in buying specific and specialist items. This would suggest that there is a market for smaller, specialist sports goods retailers. In reality, the market is dominated by these big multi-segment retailers that can combine the buying power of a large organisation with offering specialist item segmentation in-store and online.

Performance

To garner a view of how the European sports goods sector performs, RetailX has looked at the top 10 retailers by traffic and averaged revenues and traffic across the past four years for revenue and five years in terms of traffic. From a revenue perspective, the sector has seen growth across 2018 to 2021 that has slowed. 2020 saw a forced decline, generated by the pandemic as previously discussed, but 2021 saw revenue up from this year to reach 2019 levels (see Figure 26, overleaf).

This seemingly sluggish return belies the fact that the sector has faced pandemic headwinds not experienced by other retail sectors. The sports goods sector is more dependent on social mixing and the physical locations – two things that were closed in 2020 and only saw sporadic returns in 2021. Instead, the sector has had to generate

| COMPANY NAME | PRODUCT TYPES SOLD | HQ LOCATION |
|--------------|--|-------------|
| Orninn | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Cycling and non-powered vehicles | IS |
| AIC | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear | LT |
| Adidas | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear | DE |
| Sportland | Sports footwear Leisure footwear Outdoor footwear | IT |
| Nike | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear | US |

| COMPANY NAME | PRODUCT TYPES SOLD | HQ LOCATION |
|---------------|--|-------------|
| Budget Sport | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor footwear, equipment | FI |
| Sport24 | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Fashion clothing, footwear | DK |
| Gymgrossisten | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Cycling and non-powered vehicles | SE |
| Polleo Sport | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment Health | HR |
| Zakret | Sports clothing, footwear, equipment Leisure clothing, footwear, equipment Outdoor clothing, footwear, equipment | GR |

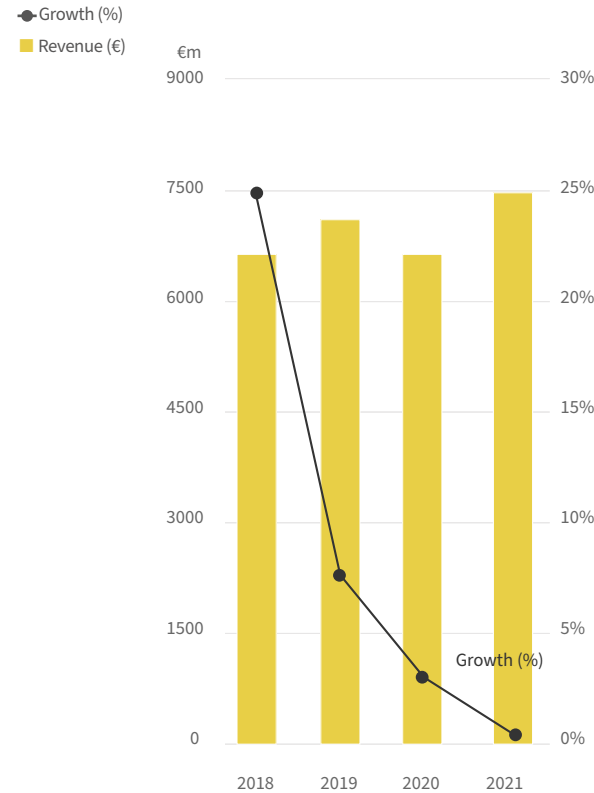
growth from switching to selling athleisurewear and sports and leisure wear for other pursuits. With this in mind, revenue growth for the sector looks impressive and is likely to strengthen through 2022 and beyond.

Traffic figures back this up (see Figure 27). Online sales across the sector have fluctuated between 2017 and 2019, driven by the performance sports goods and equipment shoppers' tendency to buy in-store. As a result, the significant drop in traffic in 2020 shows that the switch to online shopping seen on other sectors during lockdown happened in a more limited way in sports goods.

Traffic continued to decline in 2021, however. This points to a return to physical retail among a large cohort of performance sports buyers. It may also indicate that many of those shopping for athleisurewear and sportswear for non-sport purposes had returned to work and more formal wear, reducing the amount of online shopping being done in the sports sector.

What this likely means for the key players going forwards is that, with the market awash with large retailers selling across all segments of the sector, competition on price, delivery and sustainability is only going to increase. This may see consolidation in the market, or it may see retailers take on other ranges of goods – perhaps branching out more towards health and wellbeing, nutrition and digital health gadgets.

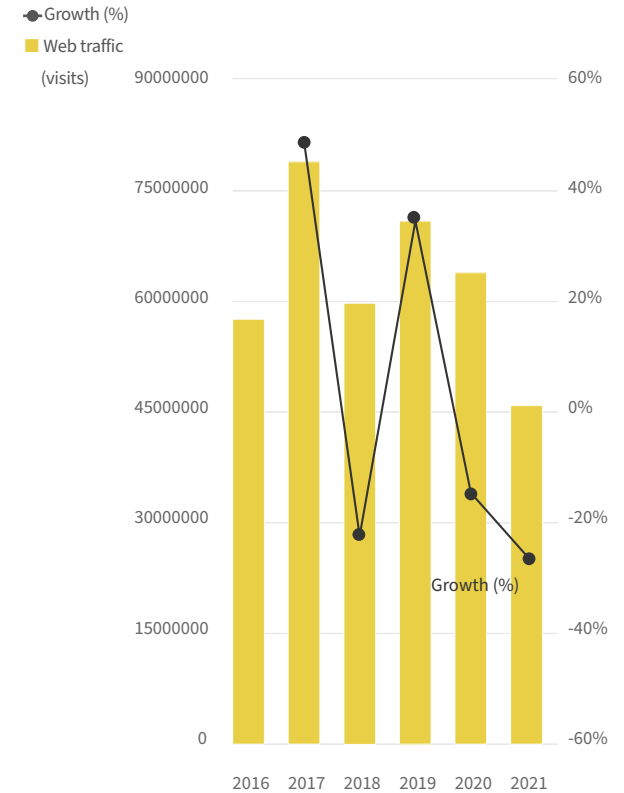
FIGURE 26: Average global revenue of the largest 10 European sports goods retailers



Source: RetailIX, Yahoo Finance, Statista

© RetailIX 2022

FIGURE 27: European web traffic to the largest 12 European sports goods retailers



Source: RetailIX, SimilarWeb

© RetailIX 2022



Company: Adidas

Headquartered: Herzogenaurach, Germany

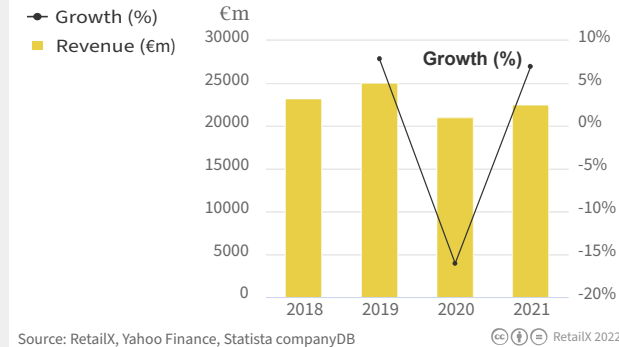
Founded: 1949

Online: www.adidas.com

Adidas is the largest sportswear manufacturer in Europe and second only to Nike worldwide. The brand combines both performance sports apparel, footwear and equipment, with having a strong presence at the fashion-led end of the sportswear market – and its trading results reflect this.

Revenues hit a high of €25bn in 2019, driven by strong sales across all European markets, bolstered by growing strength in China, especially for its fashion apparel and footwear. The pandemic dented overall revenues by 15% in 2020. However, recovery has been swift, jumping back from €20bn that year to €22bn

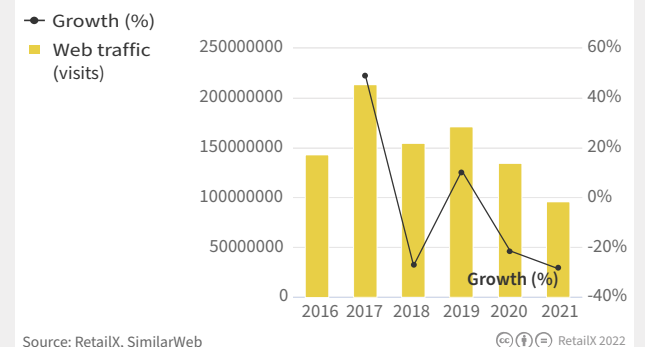
The average global revenue of Adidas



by 2021. Recovery continues into 2022, however the recent return to lockdown in China during 2022 could yet hamper this recovery.

From an ecommerce perspective, Adidas web traffic has seen considerable volatility across 2017 to 2021, rising and falling pre-pandemic as consumers became more engaged with ecommerce, then dropping off in 2020/21. This decline can be partially attributed to reduced consumer spend on fashion items, especially footwear, during the pandemic. 2021's decline saw this continue, driven by slow to recover sales in China, along with European's returning to physical retail.

European web traffic to Adidas



The biggest drag on performance in 2021 has been supply chain issues. Factory closures in Vietnam from July to September and a gradual re-opening since October meant Adidas had lost capacity for 100 million items in the second half of 2021. The company moved some production to China and Indonesia – salvaging some 30 million units – however lockdowns in China, plus delays in container shipping at both originating and destination ports is continuing to have a marked impact.

Sales are likely to be flat overall, as a result, with a drop of 15% in China in 2022 and the company could see €1bn in lost sales this year.



Company: Decathlon

Headquartered: Villeneuve-d'Ascq, France

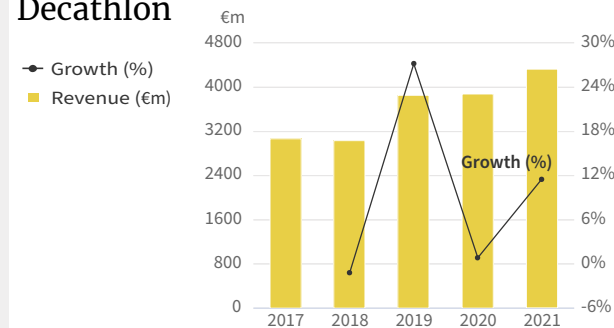
Founded: 1976

Online: www.decathlon.com

Decathlon is a family-owned sports retailer that specialises in outdoor equipment, apparel and footwear. It boasts 2080 stores in 56 countries – 29 of them in the EEA – and considers itself unique in the sector as it sells not only a broad range of leading brands, but also creates and sells its own wide range of products, developed in its own studios and labs. As of 2022 it has 20 of its own brands.

The retailer, while having a strong physical retail presence, has been a pioneer in online sports retail, being at the forefront of using digital services to augment sales and drive both traffic and footfall.

The average global revenue of Decathlon



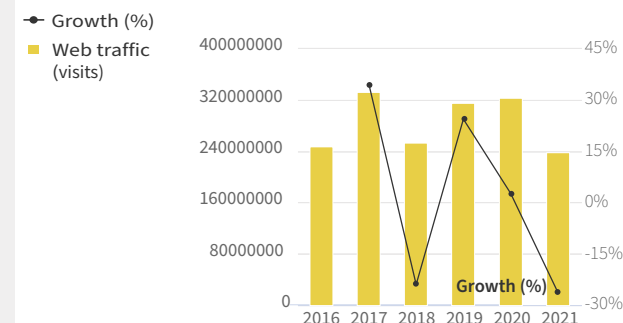
Source: RetailX, Yahoo Finance, Statista companyDB

© RetailX 2022

As a result, the company has seen continued revenue growth across 2018 to 2021, with the pandemic seeing a plateau in sales in 2020, rather than a fall. In 2021, recovery was well underway, with the retailer hitting €4bn in revenues.

Traffic-wise, sales shifted online in 2020, with traffic growing 30% that year alone and taking it to a peak of 30 billion hits that year. This has dropped back by 27% in 2021, but online continues to be an important channel for the company as it sees the switch to using digital at least as part of the shopping journey, if not the purchase itself, as key to growth.

European web traffic to Decathlon



Source: RetailX, SimilarWeb

© RetailX 2022

In the UK, for example, 65% of shoppers arriving at the company's site do so via mobile, with a growing number of them coming in through social media on mobile devices.

The retailer has also sought to bolster its digital sales by opening its own marketplace, allowing it to sell other third-party goods that complement its existing ranges and expanding the range of products it sells and categories it covers. This move is indicative of a trend sweeping retail, as well as testament to how Decathlon sees much of its future sales coming from evolving online channels.



Company: Intersport

Headquartered: Bern, Switzerland

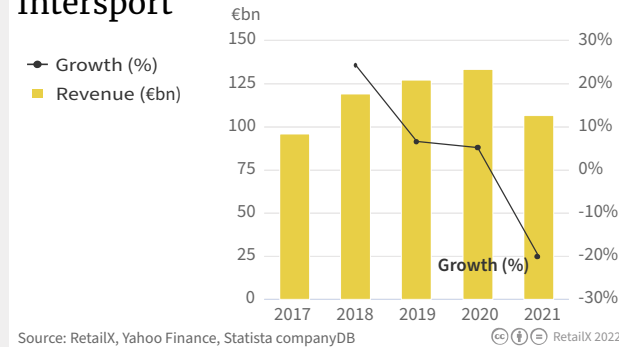
Founded: 1968

Online: www.intersport.com

Intersport was born out of a merger of four independent sports retailers in Germany, France, Belgium and the Netherlands to become one of Europe's, if not the world's, leading large multi-sport retailers. It sells a full range of sports apparel, footwear and equipment from leading sports brands such as Asics, Nike and New Balance.

The company operates 5800 stores in 43 countries worldwide, the majority of them located in Europe, with almost 500 in Canada. In France, Intersport International is present as a cooperative of about 750 stores that employ more than 10,000 people.

The average global revenue of Intersport

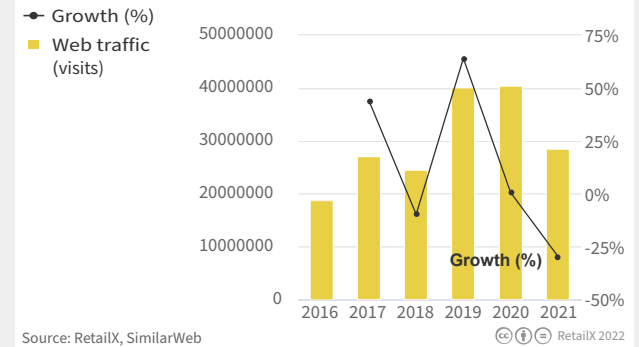


The group is the leader for sport apparel sales in France in terms of market share. In Germany it is the 80th most visited ecommerce site and is a brand that is well known to 85% of the consumer base.

Passing the €10bn revenue mark in 2018, Intersport has continued to grow right through the pandemic – peaking at €12bn in 2020 – and only seeing revenues drop in 2021 off the back of supply chain issues among some of its key brands, which are manufactured in Asia.

Intersport has worked hard to develop its online strategy and traffic grew more than 60% between 2018 and

European web traffic to Intersport



2019. This strong growth in online use was maintained in 2020 and, while traffic levels have dropped back in 2021, Intersport has grown its online sales by 25% in the same period. This does not include click & collect and ship from store revenues, which have also increased markedly during and post-pandemic.

The retailer is also marked out by having an exceptionally loyal customer base. A survey carried out by the retailer itself in 2020 found that of all the shoppers that had made an online purchase from Intersport, two thirds of them returned to make another purchase within six months.



Company: Kibuba

Headquartered: Slovenia

Founded: 2004

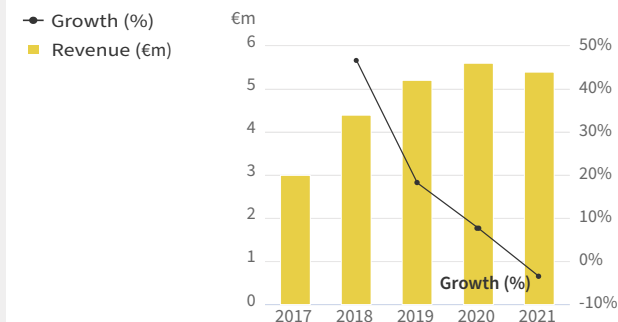
Online: www.kibuba.eu

Slovenian outdoor activity specialist Kibuba was set up in 2004 by a team of outdoor enthusiasts looking to bring together the best outdoors equipment along with expert advice on hiking and mountaineering.

With a team that boasts two mountain guides, several climbing instructors, cavers, canyon instructors, dog rescuers and an ex-soldier, the retailer has managed to grow a loyal following, with consumers at the performance end of the market attracted by the retailer's specialist credentials.

As a result, Kibuba has a strong online presence across

The average global revenue of Kibuba



Source: RetailX, Yahoo Finance, Statista companyDB

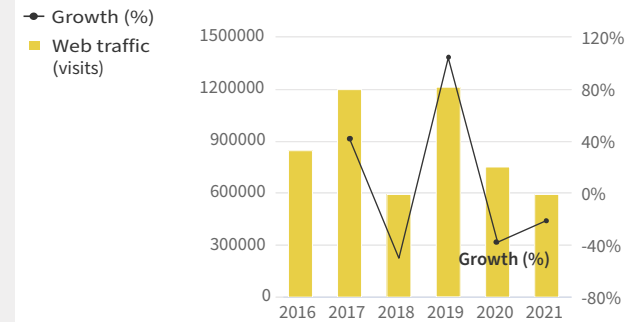
© RetailX 2022

its native Slovenia, as well as in Hungary, Italy, Denmark and, increasingly, the UK.

The company, with revenues peaking at €6m in 2020, is a prime example of the crop of specialist, niche sports retailers that have sprung up that aim to offer a limited range of sports coverage, but using that specialism to offer not only items for sale, but also advice and expertise – both on and offline.

Kibuba's specialism started out with climbing, but has since taken in hiking, caving, camping and cycling and aims to leverage the passion of its staff – many of whom

European web traffic to Kibuba



Source: RetailX, SimilarWeb

© RetailX 2022

are expert in each of these fields – to create loyalty, which has led to slowly rising sales.

Traffic levels reflect this. Levels of more than 100 billion annual visits is unusual for such a small company and reveals that the offering it has is compelling to the growing niches that it aims to support.

The company also aims to trade in ethical and sustainable items and prides itself on being the embodiment of young idealists that, in its words, “believe that a store can be fair, friendly, and fun”, as well as expert.



Company: Nike

Headquartered: Beaverton. USA

Founded: 1964

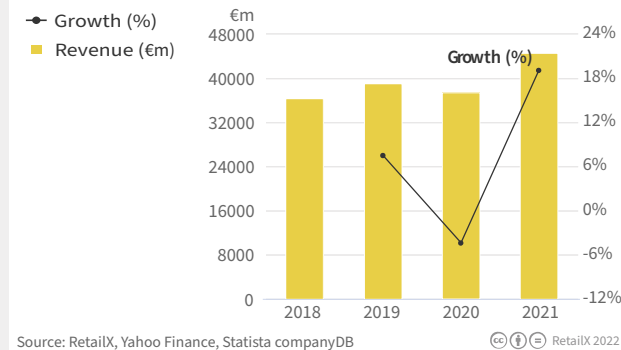
Online: www.nike.com

The world-renowned sports and leisurewear brand weathered the pandemic reasonably well, with its relaxed clothing and footwear propping up sales even with stores closed in 2020.

Across the same period it has worked on developing its online store presence, logistics and direct to consumer sales. Revenues have responded, up around 20% in 2021 and a further 5% in the first quarter of 2022.

The group's direct to consumer sales came in at \$4.6bn – up by 15% on last year. That includes a 14% rise in sales in Nike's owned stores.

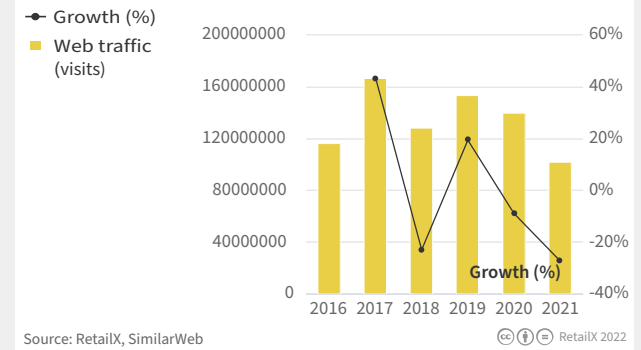
The average global revenue of Nike



At the same time, its digital Nike brand sales grew by 19% – with digital sales in the US alone up by 33%, and by double digits in Europe, although this was offset by declining sales in greater China, which saw traffic drop in 2021.

The fall in traffic seen by the brand is symptomatic of the sports sector as a whole, which encompasses many dedicated performance sports equipment users who are inclined to use physical stores for shopping. As stores have re-opened, these shoppers have returned their spend to physical retail sites. As a result, ecommerce traffic has fallen. For Nike, the drop has been lessened by

European web traffic to Nike



the brand being more of a fashion sportswear seller and so has kept online traffic up to some degree.

The company is also investing in digital, creating an app that allows users to scan their feet to get the right size and fit of shoes. The Nike Fit tool offers super accurate sizing and marked Nike out as one of the first companies in fashion to use AI and AR together to create virtual try-ons.

The app works both instore and at home and while offering great customer experience, also helps reduce returns.



Company: Outnorth

Headquartered: Växjö, Sweden

Founded: 2005

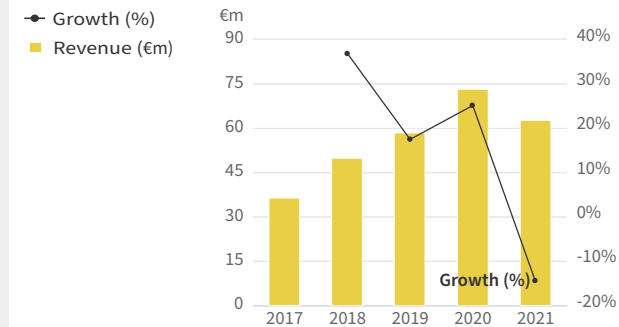
Online: www.outnorth.com

Outnorth was founded in Växjö, a small town in the south east of Sweden, amongst the forests and lakes of the Smaland province on the edge of the Baltic. The place is an outdoor enthusiast's paradise and is the inspiration behind the brand's outdoor equipment and environmentally-friendly ethos.

Another specialist niche retailer in the sector, Outnorth embodies the principle that experts and enthusiasts on hand to offer advice is the best way to sell.

The company's focus is on Scandinavian outdoors brands and aims to promote the best of Scandinavian

The average global revenue of Outnorth



Source: RetailX, Yahoo Finance, Statista companyDB

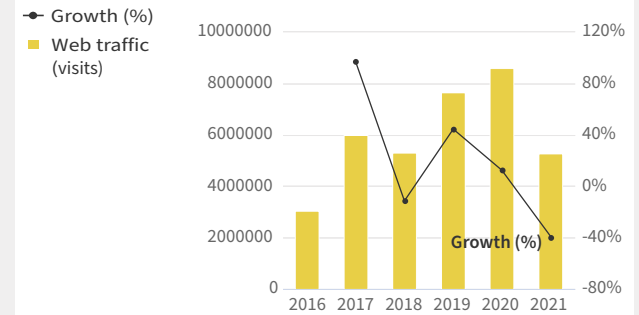
© RetailX 2022

outdoor life worldwide through ecommerce. While available internationally, sales are primarily in the Nordics, a region that saw little or limited lockdowns in the 2020 and 2021. This has resulted in Outnorth keeping revenues up where many other retailers faltered in 2020.

The company prides itself on its environmental and sustainability credentials and has pledged to work only with suppliers that meet Sweden's strict chemical discharge regulations and which respect animal rights. It also plans to be climate neutral by 2028.

In 2020 it rolled out a new range of own-brand products

European web traffic to Outnorth



Source: RetailX, SimilarWeb

© RetailX 2022

under the moniker No Colour, using non-dyed fabrics to cut waste water and pollution. The company has also created washing bags that collect microplastics.

Outnorth is also experimenting with equipment rental and re-sale of used goods to try and become the first outdoor brand to offer a truly circular option to its clients.

Results are encouraging, with revenues growing steadily between 2018 and 2020, hitting close to €75m. Online traffic has shown overall positive growth since 2017, with 80bn visits in 2020 at the height of the pandemic.



Company: Sportmaster

Headquartered: Singapore

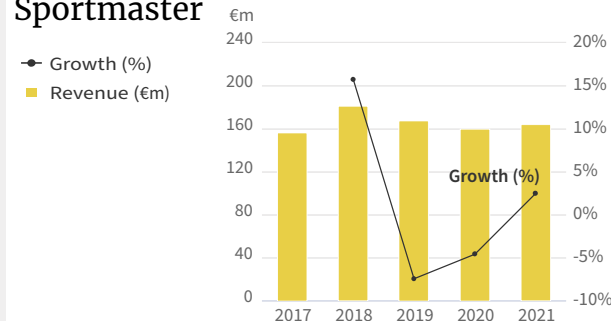
Founded: 1992

Online: www.sportmaster.ru

An international multi-category, multi-brand retailer of sports and outdoor product – including apparel, footwear and equipment – Sportmaster operates in Russia, Belarus, Denmark, Poland, Kazakhstan, Kyrgyzstan and Armenia. It also has branch offices in China, Bangladesh and Vietnam.

Founded in 1992 in Russia, the company rapidly grew to be the largest sports and outdoor retail chain in Russia and the CIS by the turn of the millennium, with more than 1 million visitors a year – a large number for such an early online venture. Opening stores and sites across the region, the retailer has grown to be the

The average global revenue of Sportmaster



Source: RetailX, Yahoo Finance, Statista companyDB

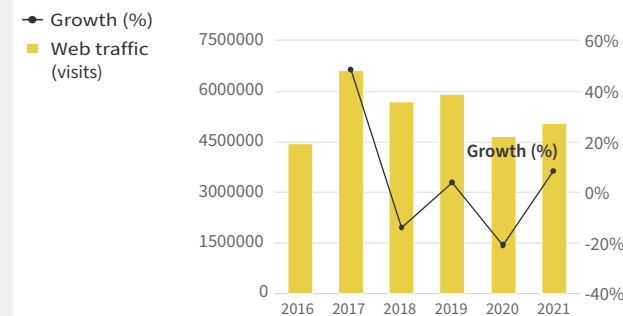
© RetailX 2022

fourth largest sports and outdoor retailer in Europe and the 16th in the world.

Much of its growth has come from buying up other sports retailers in the markets it seeks to expand into. For example, it moved into the Danish market in 2019 through the acquisition of Sport Nordic Holdings, which ran a number of sports chains in Denmark.

Across the sector, Sportmaster sells its own brand goods, as well as partnering to sell a range of well-known brands, including Columbia, Nike, Merrell, Sketchers and specialist ski company, Fischer.

European web traffic to Sportmaster



Source: RetailX, SimilarWeb

© RetailX 2022

As the company has expanded across Eastern Europe and Western Asia, into some of the less well-served regions, its revenues have remained relatively static, but its traffic levels have slowly increased between 2017 and 2019. A drop was seen in 2020, but traffic is again climbing as post-pandemic ecommerce grows across the regions it services.

However, there are fears that the ongoing situation in Ukraine as of mid 2022 may hurt revenue growth in its native Russia and, despite being HQ-ed in Singapore, its Russian links may tarnish the retailer in some of its putative Western European markets.



Company: Sports Direct

Headquartered: Shirebrook, UK

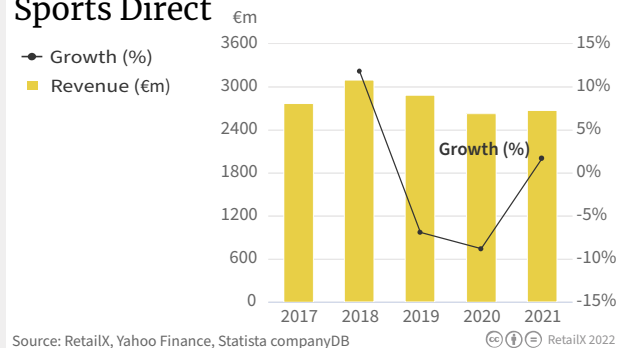
Founded: 1982

Online: www.sportsdirect.com

Founded in 1982, Sports Direct has grown into a multi-retailer company that owns everything from department stores House of Fraser and Flannels to preppy fashion brand Jack Wills and computer game retailer Game. It also owns sports brands such as Karrimor, Kangol, Slazenger and Lonsdale. It acquired cycling chain Evans Cycles, adding biking to its roster.

The polymath retailer is something of a UK success story – not just in sports goods – having generated soaring sales year on year from what is a fairly poor customer experience. Goods are typically piled high and sold cheap, often made up of end-of-line items.

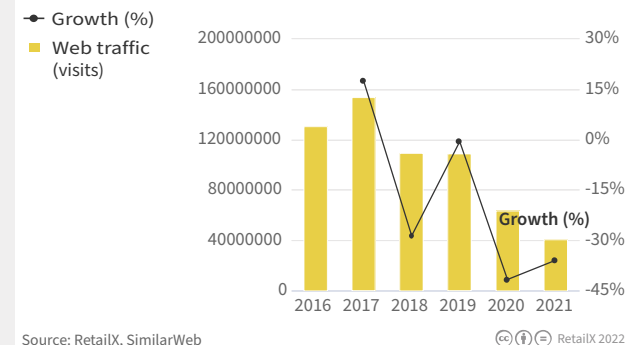
The average global revenue of Sports Direct



However, revenues of between €2bn and €3bn consistently reached and the company has grown into a large retail holding company. It is a prime example of a generalist sports retailer, selling both performance items and fashion apparel and accessories. In 2020 it extended its reach into the outdoor sector.

The company's business model, however, is more reliant on physical retail than most. Web traffic is consistently below other retailers in the sample, reflecting how the store model dominates both the retailer's mindset and that of its customers. However, spurred on by the pandemic store closures, the group has invested in

European web traffic to Sports Direct



ecommerce across its portfolio, sinking £100m into online alone at the group's Sports Direct's sports shops in 2020.

In 2021, the retailer opened a flagship store on London's Oxford Street that was trumpeted as its first hybrid physical-digital retail space. Featuring interactive spaces, rotating LED pillars, an LED floor to ceiling wrap, as well as interactive and video displays with more than 100 million pixels, the retailer hopes that such intelligent, data-driven technology will cement the relevance of physical shopping in the digital world and help the business become a leader in hybrid retail.

stadium®

Company: Stadium

Headquartered: Norrköping, Sweden

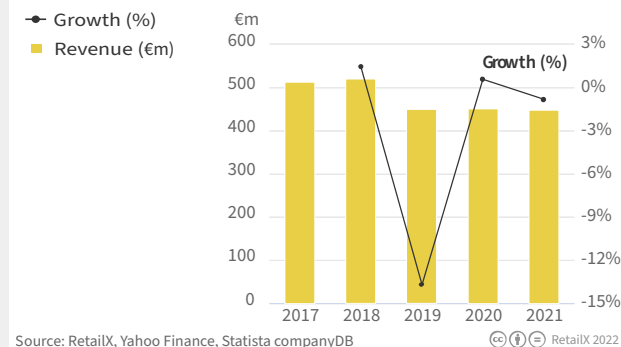
Founded: 1974

Online: www.stadium.se

Not to be confused with the US-based sneaker swapping marketplace of the same name, Sweden's Stadium was set up by skiing brothers Ulf and Bo Eklöf, who set about creating what they saw as the best retailer of sports and fashion apparel and equipment in the region.

Drawing on lessons learned in their parents' grocery store – and from studies at the Stockholm School of Economics – the brothers expanded their empire with the acquisition of local sports store Spiralen Sport and opened a store in Stockholm under the name Stadium Sergelgatan, from which the Stadium chain was born.

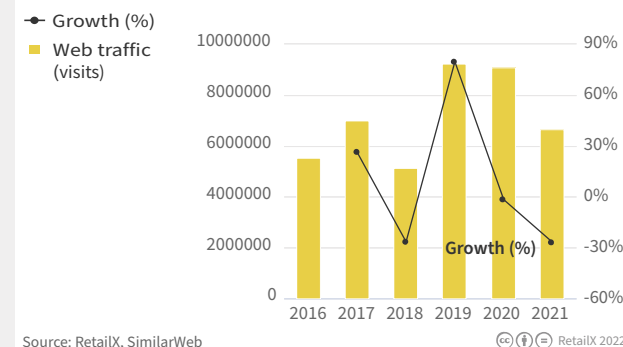
The average global revenue of Stadium



Since then the company has evolved into one of Europe's largest sports chains. Stadium Sergelgatan has been joined by more than 150 other sports gear and sports fashion stores across Sweden, Finland, Germany and Norway.

While expanding cross-border, the retail chain has constantly evolved, with Stadium Team Sales, the Stadium Outlet concept, Stadium Ski and Sneakers Point all notable additions. It also runs Stadium Sports Camp, Sweden's largest sports camp for children and young people, which, every year, sees around 8,000 youngsters take part.

European web traffic to Stadium



Online, the company has worked hard to build momentum organically between 2017 to 2019. During and post-pandemic, it has worked hard to leverage its store estate in the digital world. Part of this centres around making a large investment in in-store technology to help staff better manage stock and run ship-form store services as part of its ecommerce strategy.

Being one of the pioneers of using RFID tags that can be read by mobile device across 180 of its stores, Stadium has seen an increase in inventory accuracy from 70% to 99%, resulting in dramatic improvement in business performance across the chain.

Growth drivers 2022 and beyond

The sports goods sector has had to evolve during the past two years – and there is more change to come

The sports sector, much like all retail verticals, saw some drastic changes to shopper habits across the pandemic – although they weren't as marked in sports as they were in other verticals. Most notable was the shift to ecommerce. In sports goods the move to online shopping was much less dramatic than seen in other areas and the return to physical retail has been more swift.

However, the sector has more likely delayed rather than missed this move and is set for its own revolution as a mixture of technology and competition from other sectors comes to bear.

So what is going to drive growth and change in European sporting goods in 2022 and beyond?

Health and wellbeing

The pandemic has seen many more people in Europe focus on their health. The move to home working, the lockdowns

and the curtailment of many social and sporting activities has seen much more attention being placed on health and wellbeing, as well as fitness.

This trend is going to continue into 2022, propelled by both a keen focus among young people on fitness and by the growing influence of the health and wellbeing industry. There is also the growing obesity crisis in Europe, which governments are starting to take action to curb.

A study in the UK in 2020 found that the number of teenagers exercising to lose weight is more than eight times higher than it was in 1986. Six in 10 14-year-olds said they exercise to lose weight when questioned last year, compared with just 7 per cent in 1986 ^[1].

Millennials and Gen Z now make up 80% of health club members, while 85% of gym users also exercise at home. This grouping of 16 to 34 year olds – known collectively as Generation Active – also account for 89% of all online and app-based workout ^[2].

These younger users are set to drive the growth of sports goods sales as they continue to workout and start to re-embrace team sports and other activities curtailed during lockdown.

The wellness industry is also being driven by this Gen Z to Millennial grouping, as they look to not only fitness, but also

their overall health and wellbeing. The global health and wellbeing industry has already grown 6.4% between 2017 and 2021, now thought to be worth around \$3.7trn ^[3].

Fitness forms a key part of this, with physical activity aspects of wellness making up \$1.1trn of the total by 2023 ^[4]. The increase in wellness feeds directly into purchases around sports goods, particularly footwear and apparel, but also increasingly leading to rising sales of sports equipment and tech.

Finally, there is a growing childhood obesity epidemic in Europe, particularly in southern countries. Data shows that in Cyprus, Greece, Italy, Malta, San Marino and Spain, approximately one in five boys (ranging from 18% to 21%) are obese ^[5].

Such is the problem that governments are acting to improve the health of children – with spill over into adult health – and encouraging uptake of sports and exercise. This will lead to a rise in demand for sports goods across the continent, focussed on those markets where the state has the most success in promoting fitness.

Digital health apps and the metaverse

The growing skew towards Generation Active – the Gen Z to Millennials that are driving growth in sports and fitness – also means that technology in sports is becoming a much larger part of the sector.

This cohort of consumers want seamless, connected, fitness experiences that work with their lifestyles and allow for them to workout both in gyms, the outside world and at home. It is no surprise that they account for more than 65% of virtual fitness users.

This demand for better digital fitness experiences is leading to the increasing use of augmented and virtual reality in sports apps and digital sports services. Augmented reality game Pokémon Go was created to encourage sedentary Japanese school-aged gamers to move about and the rise of virtual reality games has already led to many gamers being more physically active.

Combining these technologies with fitness equipment and apps can equally enhance actual physical workouts. Many are designed to help encourage people to exercise once their initial keenness – think New Year’s resolutions – have waned. One example is Zombies, Run!, an AR running app that gives the user audio instructions as if from a helicopter pilot as they help the runner flee the Zombie apocalypse.

Fully immersive VR fitness is also gaining ground and, as the metaverse becomes more established, could form the backbone of a whole new way to exercise outside without leaving the house.

Supernatural VR Fitness, for example, started life as a ‘flow’ workout, where users hit targets and performed

squats and other exercises as they moved through a virtual landscape. Now it features boxing, meditation and stretch sessions too.

There is even a VR table tennis app – Eleven VR Table Tennis – which lets the user play virtual table tennis using the phone as a simulacrum of a bat. The user can play against the machine or against other players online.

Partnerships x brands

Partnerships between sports brands retailers and other sports brands, sports teams, fashion brands and even celebrities are already playing a pivotal role in marketing.

The cross-over between sports goods brands and sports teams is a well trodden path. Many soccer, rugby and other teams have been sponsored by sports companies for many years. Many other teams have their kit provided by leading brands.

This will continue across the sector, with sports apparel companies in particular looking to secure sales of kit and peripherals such as bags, water bottles and other extras from the halo effect.

Globally recognised soccer teams such as Manchester City, Liverpool, Ajax, Barcelona and Real Madrid have such wide and international fan bases that they guarantee huge uplifts in sales. Manchester United has the honour

of having signed the world’s biggest kit deal with Adidas in 2014 for the 10 years to 2024m, worth some £750m. Bayern Munich, meanwhile, signed a £42.5m 15-year deal with Adidas in 2015, which is forecast to net the sports brand £635m over the life time of the deal.

This same phenomenon is likely to also be seen on a more granular level with other niche sports linking up with key players from those sports and looking for long tail marketing through social media.

The lengths that brands will go to tap into the sporting world is exemplified by the French Tour de France cycling team being sponsored by Séché Environnement, a waste treatment company.

The growing move of sports apparel into the world of fashion has also led to some key tie-ups. The luxury fashion market has recently taken to using footballers as brand ambassadors, while luxury brands have tied up with teams to reach a new audience – and giving the teams the chance to become brands in their own right.

Dior formed a partnership with French football club Paris Saint-Germain (PSG) in 2021, which saw the fashion house design a range of formalwear for the team – and when Lionel Messi joined the team from Barcelona, he was wearing a Dior suit. Giorgio Armani has done a similar deal with Italian team Napoli.

These fashion-sport tie-ups also presage tie ups between fashion brands and sports brands.

Adidas formed an alliance with Italian luxury brand Prada in 2019 to create what it said was an “amalgamate of fashion and performance for excellence in sports and athleisure”.

As competition between sports goods brands and other sectors, such as fashion, continues to grow, these partnerships will play a growing role in sustaining many brands, as well as being the lifeblood of many teams and players.

Sporting mega events

The tie-up between sporting brands and sports teams will get a boost in 2022 from the football World Cup in Qatar in December 2022.

In the 2018 World Cup, Adidas sponsored 12 teams while Nike sponsored 10, but also had the bragging rights to having sponsor deals with 132 of the 200 most expensive footballers in the world.

Adidas doubled its income in 2018 as a result of the World Cup on sales that were 12% higher than usual. More importantly, the German sports brand saw sales rise by nearly 16% in the US, a market usually dominated by its rival Nike. It saw a 13% hike in US sales.

Such mega sporting events are increasingly important to sports goods brands and the rise in sales seen when they are taking place plays through into sports goods retailers that sell those brands.

The effect isn't limited to football. Wimbledon and the French Open tennis tournaments offer similar – albeit smaller – opportunities for growth each summer, while there are a raft of other events for every sport that take place annually that give sports brands and their retailers a boost.

With the Paris Olympics and the UEFA European Championship scheduled for 2024, there is already optimism that more growth is still to come.

Smart fabrics

The sportswear market is poised to see an explosion of new technology woven into the very fabric used to make sportswear. Smart fabrics incorporating phase changing materials, conductive polymers, electronic sensors and even communications equipment are already on the market, but also are set to grow rapidly beyond 2022.

These advances in material technology, manufacturing and nano-tech electronics will create a new interest in sportswear, offering performance users in particular, clothing that can adapt to their surroundings – switching, say, from wicking to being waterproof – to clothing that

can sense performance and log bio-data, to also featuring the comms equipment needed for the clothing to ‘talk’ to other smart devices and health and fitness apps.

Advances in 3D printing are likely to make the production of both the nano tech and the clothing itself easy enough for these high-tech items to be affordable to the mass market.

The development of these new apparel and footwear items will initially impact the performance end of the market, however it is likely to also translate into the fashion end too.

In build sensors, responsive clothing and, above all, in-build communications tech are also likely to pique the interest of younger fashion shoppers. The development of these new materials may also impact the fashion design market.

As a result, the smart fabrics for sports and fitness market was already worth \$680m in 2020 but is likely to grow at around 25% year-on-year between now and 2026, to hit \$2.85bn [6].

[1] UCL, <https://www.ucl.ac.uk/news/2020/nov/dieting-and-weight-worries-rise-teens>

[2] Les Mills, <https://www.lesmills.com/uk/clubs-and-facilities/research-insights/audience-insights/generation-active-the-80-year-club-cant-ignore/>

[3] Global Wellness Institute, <https://globalwellnessinstitute.org/press-room/statistics-and-facts>

[4] Verywellfit, <https://www.verywellfit.com/fitness-4156989>

[5] WHO, <https://www.euro.who.int/en/health-topics/disease-prevention/nutrition/activities/who-european-childhood-obesity-surveillance-initiative-cosi>

[6] Mordor Intelligence, <https://www.mordorintelligence.com/industry-reports/global-smart-fabrics-for-sports-and-fitness-market-industry>

Figures

Market Context

| | |
|--|----|
| Revenue of Sports and outdoor ecommerce by category 2017-2023 (€m) | 06 |
| European online shopping by category 2021 | 08 |
| Percentage of web visits to the largest 50 retailers from Europe, Switzerland and UK | 08 |
| Share of sustainable sports apparel by gender 2017-2023 | 09 |
| Willingness to pay a premium for sustainable sports goods 2019 versus 2021 | 10 |
| Digital fitness and wellbeing apps revenue in Europe (\$m) | 11 |
| Average revenue per European user for digital fitness and wellbeing apps (\$) | 12 |

Sports Goods Consumers

| | |
|--|----|
| Expected European consumer increase in participation in selected sports 2019 versus 2021 (%) | 13 |
| Age distribution of European consumers active in sports in 2021 | 14 |
| Sports played in a normal week globally (%) | 15 |
| Mean number of hours per week spent exercising or playing sport globally (2021) (hours/week) | 15 |
| Preferred purchasing channel of sports goods in Europe 2019 versus 2021 (%) | 16 |
| Devices used by European online shoppers to purchase sports goods 2019 versus 2021 (%) | 17 |

Sports Goods by Category

| | |
|---|----|
| Annual percentage revenue change in European sports and outdoor ecommerce by category 2018-2033 | 18 |
| Average revenue per user in the sports and outdoor ecommerce market by category 2017-2023 (€) | 19 |

| | |
|---|----|
| Revenue of the sports apparel market by category 2017-2023 (€m) | 20 |
| Revenue change by segment and gender for European sports apparel | 20 |
| European athletic footwear revenue change 2013-2025 (%) | 22 |
| Revenue change for the swimwear sector, by gender, 2014-2026 (€m) | 23 |
| EU swimwear by country of origin 2014-2019 (€m) | 23 |
| Sportswear versus other apparel companies 2020 | 24 |

Regions

| | |
|--|----|
| Proportion of European shoppers buying sports goods online by country 2021 | 26 |
| Countries where the largest 50 sports retailers are based | 27 |
| Countries from which European shoppers visit the largest 50 sports retailers (%) | 27 |
| EU import and export trade in sporting goods 2015-2020 (€bn) | 28 |

Key Players

| | |
|--|----|
| Average global revenue of the largest 10 European sports goods retailers | 33 |
| European web traffic to the largest 12 European sports goods retailers | 33 |

Company Profiles

| | |
|--|----|
| The average global revenue of Adidas | 34 |
| European web traffic to Adidas | 34 |
| The average global revenue of Decathlon | 35 |
| European web traffic to Decathlon | 35 |
| The average global revenue of Intersport | 36 |
| European web traffic to Intersport | 36 |
| The average global revenue of Kibuba | 37 |
| European web traffic to Kibuba | 37 |

| | |
|---|----|
| The average global revenue of Nike | 38 |
| European web traffic to Nike | 38 |
| The average global revenue of Outnorth | 39 |
| European web traffic to Outnorth | 39 |
| The average global revenue of Sportmaster | 40 |
| European web traffic to Sportmaster | 40 |
| The average global revenue of Sports Direct | 41 |
| European web traffic to Sports Direct | 41 |
| The average global revenue of Stadium | 42 |
| European web traffic to Stadium | 42 |

Conclusion

We hope you have found our research and analysis to be of interest and value. We would be very pleased to hear from you with questions, suggestions or comments. In particular, do let us know of any areas of research that you would like us to investigate for possible inclusion in the 2023 report.

Please get in touch via research@retailx.net

RESEARCH:

Researcher Anna Segarra Fas

For questions about our research and to send feedback, please email Anna via: research@retailx.net

Research Director Martin Shaw

CEO Ian Jindal

EDITORIAL:

Editor Paul Skeldon

Production Editor Gary Tipp

DESIGN:

Designer Lauren Fruncillo

MARKETING:

Marketing and Circulation Addison Southam
marketing@retailx.net



SALES:

Commercial Director Andy James andy@retailx.net

Group Creative Solutions Director Marvin Roberts
marvin@retailx.net

We update the country reports every year and more regularly at www.retailx.net. Subscribe to get updates and access to additional charts: www.retailx.net/my-account

The Ecommerce Country and region Reports are published by Global Retail Research BV, a subsidiary of RetailX, and distributed to a variety of media partners. To become a distribution partner, please contact marketing@retailx.net
© RetailX Limited, 2022.

This report may not be stored in a retrieval system, distributed or sold in whole or in part without the publisher's express permission. Fair quotation is encouraged, with a link to the report's URL on RetailX.net. All charts and figures marked with  are provided under the Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) license (<https://creativecommons.org/licenses/by-nc/4.0/>). You are welcome to use these in full with a link to this report, retaining the copyright notice .

This report is based upon our reasonable efforts to compile and analyse the best sources available to us at any given time. Opinions reflect judgment at the time and are subject to change.

RetailX

123 Cannon Street,
London, EC4N 5AU
Tel: +44 (0) 20 7062 2525
Printed in Great Britain.

Global Retail Research BV

Van Heuven Goedhartiaan 13D
1181LE Amstelveen
The Netherlands





In partnership with



Download your report at: <https://internetretailing.net/>