

Shoe business

Running fashion is in decline, while the performance running footwear market continues to grow

The running footwear market had seen continued growth in sales from 2002 through to 2005. However, in 2006 25 per cent was slashed off the market value for running footwear products, the market amounting to

just under £370 million, a trend replicated in volume sales as well, according to The NPD Group.

So what happened in 2006? Does this provide a true reflection of the running footwear category's development? No, it does not. The running footwear market has two major segments within it - performance running product and running fashion product - both of which have different distribution channels.

Fashion in decline

It will please the performance running brands and specialist retailers that it is the running fashion part of the market that is in decline. Running fashion, in this case defined as running shoes used

for leisure, from The NPD Group's consumer panel service, registered a 24 per cent fall in 2006 compared to 2005 and continued to account for around 50 per cent of value sales.

What's driving this decline? As in all other European countries tracked by The NPD Group, we are seeing a general trend of consumers moving away from the higher priced running fashion product, such as Nike Shox, and into other fashion-focused products within other categories and at a much lower price.

Examples of successful products include K-Swiss Lozan TT, Nike Court Tradition and adidas' adi racer. As such, consumers are paying around £40-£50 for their sports fashion

AT A GLANCE

- In 2006 25 per cent was slashed off the market value for running footwear products
- The running fashion sector registered a 24 per cent fall in 2006
- Consumers are paying around £40-£50 for their sports fashion products currently, compared to £90-£110 over the past three years
- In January and February 2007 the performance running market registered over 20 per cent growth



registering a five per cent increase in value. Defined as running shoes used for running, this segment of the total running footwear market accounted for 20 per cent of value sales last year.

The NPD Groups' other footwear service, its point-of-sale monthly tracker (POS), reports similar trends to 2006 in the first two months of 2007. The POS service, where a group of retailers provide sports footwear sales data to NPD on a weekly/monthly basis (see list of retailers below), provides monthly sales information to model, brand, category and price point level.

In January and February 2007 the performance running market registered over 20 per cent growth, compared to the first two months of 2006, whilst the non-performance running market significantly declined in value sales year on year. The POS performance and non-performance running markets are defined using manufacturer's product definitions.

Asics' Gel series products, 1110 and 1120, its GT series 2120 and 2110 plus the Nike Air Pegasus were



products currently, compared to £90-£110 over the past three years.

This has therefore had an effect on the running category and the overall sports footwear market. Brands who battled it out at the high-priced running fashion end of the market are now having to sell two products to every one sold last year in order to maintain their market position, with increased competition in these lower price points.

Performance running growth

So to the performance running footwear market. This market is in its third year of continued growth, although growth has slowed in 2006,

TOP 5 PERFORMANCE RUNNING FOOTWEAR MODELS



Asics Gel 1110
 Asics Gel 1120 (pictured)
 Asics GT 2120
 Asics GT 2110
 Nike Air Pegasus
 source: The NPD Group Point-of-Sale (POS) Service

amongst the top-selling models in the first two months of 2007.

The NPD Group POS service provides sports footwear sales trends on a monthly basis down to individual model level.

Current participating retailers are JJB Sports, JD, King of Trainers, Size?, Littlewoods Shop Direct, Grattan, Freemans, Sweatshop, Alexandra Sports, Decathlon and Foot Locker.

The NPD Group is seeking to add new retailers to the service. For further information contact The NPD Group sports team on 01932 355580.

LEFT: Consumers are moving away from the higher priced running fashion product, such as Nike Shox

