

Nike has developed player-affiliated product in cooperation with the likes of Ronaldinho

FASHIONS COME AND GO. BUT STYLE REMAINS

The fragmented fashion footwear market presents retailers with plenty of sales opportunities, says The NPD Group

The last few years have seen the fashion trainers market become more fragmented as an increasing amount of brands enter the sector. K-Swiss and Lacoste are the current heavyweights squaring up to Nike and Adidas to fight for space amongst the key retailers, including the likes of JD, Schuh and Office.

Fashion shoe brands like FlyLondon are also more prevalent, with crossover products blurring the boundaries between casual shoes and trainers. This emerging style of footwear is becoming more acceptable, with wearers gaining access to bars and clubs where trainers were once forbidden.

In addition, virtually all fashion brands have developed their own ranges of branded sports-style footwear, a strategy designed to gain additional sales from brand-loyal consumers. Diesel expanded into footwear on the back of its strong growth in jeans and were immediately able to charge £60+ at retail, something that is not easy for many brands to pull off.

Tipping point

Some of the niche brands have the appeal that they are not as well known as the major players, and help to

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highlight a person’s individuality. Trendsetters who inspire youth culture help to kick-start the growth of such brands as they become the shoes to be seen in. However, they may drop the brands they’ve inadvertently promoted as it becomes too mainstream.

As the smaller brand increases its presence in the larger multiples, the average selling price can suffer, as retailers come under pressure to sell the product through. Increasing competition in key selling periods can force retailers to reduce prices. It can therefore be argued that there is a downside to being stocked in the large retailers. Do fashion-conscious youths really want to be seen in a shoe that costs less than £30 and is stocked in discount retailers like Sports Direct?

Many consumers do not want to see everyone else wearing the same shoes as them, giving brands the conundrum of trying to balance the buyer’s individuality within a finite range.

Puma’s foray into ‘sport and fashion’ fusion seemed just what the market was after, and the company continued to launch its shoes in a wide variety of colourways from a variety of designers. In retrospect, this seems like a natural diversification for sports brands to move into, as it gave them access to a much broader target market and its importance should not be downplayed.

Nike and Adidas are experienced in situations like this, having withstood the rebirth of Puma. Product ranges incorporating sports-inspired, retro, classics and limited re-issues, as well as developing new technologies including Shox and player-affiliated product (for example, Nike’s Ronaldo trainers), have equipped them to fight on more than one front.

Interest

The smaller players whose only line of business is fashion footwear have to keep the public interested with new and exciting product and advertising, or quickly diversify into other arenas and decrease their reliance on this fickle market. Trends can change overnight and brands can fall out of favour as quickly as they came in. A brand with a multi-category approach is more likely

to be able to absorb any downturn that arises from one area.

K-Swiss and Lacoste may well be the current ‘must-have’ brand, but it looks like a mismatch to expect them to stand toe to toe with the goliaths of the sports industry. Whoever comes out on top, the consumer will always win as competition will only drive the market forward.

Sports Tracking Europe® (STE®), from The NPD Group, is the premier source for European sports industry point-of-sale (POS) and consumer panel data. For more than a decade, STE has been at the forefront of athletic footwear, sports apparel and sports equipment tracking. It provides critical information to the industry’s top manufacturers and retailers and others vested in the sports market.

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