



UK SPORTS RETAIL 2008

Sportswear holds back market growth...

Reference Code: DMVT0455

Publication Date: 11/08

ABOUT VERDICT RESEARCH

Verdict Research is the UK's leading authority on retailing and publishes unrivalled independent analysis of the retail industry. With almost 20 years experience, Verdict has close relationships with major UK retailers and access, at the highest level, to key executives working in the top 300 retailers to hear their firsthand views. Verdict reports provide clients with a complete picture of the retail sector and unique forecasts to help UK retailers, manufacturers, service suppliers, city analysts, consultants and the media with strategic planning.

Verdict Research Ltd is a wholly owned subsidiary of Datamonitor Plc. Datamonitor plc is a premium business information company specialising in industry analysis. It helps over 5,000 of the world's leading companies to address complex strategic issues. Through proprietary databases and wealth of expertise, it provides clients with unbiased expert analysis and in-depth forecasts for seven industry sectors: Automotive, Consumer Markets, Energy, Financial Services, Pharmaceuticals and Healthcare, Technology, Transport and Logistics. Datamonitor maintains its headquarters in London and has regional offices in New York, San Francisco, Sydney and Frankfurt.

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Verdict Research plc.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Verdict Research delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such Verdict Research can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.

TABLE OF CONTENTS

CHAPTER 1	EXECUTIVE SUMMARY	19
	Key Findings	19
	Main Conclusions	20
CHAPTER 2	MARKET ANALYSIS	24
	Definition	24
	Overview	25
	Expenditure Analysis by Category	27
	Sportswear Expenditure	28
	Sports Clothing Expenditure	30
	Sports Footwear Expenditure	31
	Sports/Outdoor Equipment Expenditure	33
	Sports/Outdoor Equipment Segments	35
	Golf Equipment Expenditure	36
	Fitness Equipment Expenditure	36
	Camping Equipment Expenditure	37
	Fishing Equipment Expenditure	37
	Balls Expenditure	38
	Skates Expenditure	38
	Water Sports Equipment Expenditure	39
	Rackets Expenditure	39
	Other Sports Equipment Expenditure	40

Bicycles Expenditure	41
<i>Channels of Distribution</i>	43
Non-specialists Sports Propositions	44
Clothing and Sports Specialists	45
Grocers	48
Market Forecasts to 2013	52
All Sports Goods to 2013	52
Sportswear (clothing & footwear) to 2013	53
Sports Clothing to 2013	55
Sports Footwear to 2013	56
Sports/Outdoor Equipment to 2013	58
Bicycles to 2013	60
CHAPTER 3 COMPANY DATA ANALYSIS	61
Sports Goods Market Shares	61
Winners & Losers in Sports Goods Market Share	62
Top Three Sportswear Retailers	63
Key Operating Statistics	66
Store Performance	67
Space Allocation	68
Advertising Media Expenditure	70
CHAPTER 4 STRATEGIC ISSUES	71
External Factors	71

Table of Contents

Government Initiatives	72
Opportunities For/Threats To Retailers	72
Brands & Fashion	72
Opportunities For/Threats To Retailers	73
Events	73
Opportunities For/Threats To Retailers	73
Credit Crunch	74
Opportunities For/Threats To Retailers	74
Lifestyle Trends	75
Opportunities For/Threats To Retailers	75
Weather	75
Opportunities For/Threats To Retailers	75
Costs	76
Opportunities For/Threats To Retailers	76
Threats and Opportunities By Market Segment	77
Sportswear (Clothing and Footwear)	79
Competition from the value clothing sector	79
Replica Football Kits	79
Sports Direct and JJB Fail to Innovate	80
JD Sports Continues to Innovate and differentiate	80
Outdoor	81
Encroachment of Grocers	81

Seasonal Opportunities	81
Grocers Fuel Deflation	82
Price Competition	82
Outdoor Specialists	82
Smaller Specialists – Differentiation is Key	83
Strategies to Counter Intensifying Competition	84
Differentiation	84
Convenience	85
Niche Focus	85
Bicycles	86
Opportunities for Growth and Outperformance Remain	86
Green Concerns / Government Incentives	87
Recession Friendly	87
Health Trends	87
Sporting Events Encourage Participation	87
Defendable Segment: Non-specialists Make Little Headway	88
Wide Appeal	88
Market Remains Favourable, But Threats Exist	88
CHAPTER 5 HALFORDS	90
Company Overview & Market Share	90
Trading Record	93
Year to March 2008	93

Table of Contents



Six months to September 2008	94
Store Portfolio	95
Year to March 2008	96
Six Months to September 2008	97
Retail Proposition	98
Management, Marketing & Operations	99
Outlook	100
CHAPTER 6 JD SPORTS FASHION	102
Company Overview & Market Shares	102
Year to January 2008	105
Six Months to July 2008	106
Store Portfolio	107
Retail Proposition	110
Space Allocation	111
Management, Marketing & Operations	113
Outlook	114
CHAPTER 7 JJB SPORTS	116
Company Overview & Market Shares	116
Trading Record	120
Year to January 2008	120
Six Months to July 2008	121
Current Trading	121

Store Portfolio	122
Recent Developments	123
Retail Proposition	125
Space Allocation	126
Management, Marketing & Operations	129
Outlook	130
CHAPTER 8 SPORTS DIRECT INTERNATIONAL	132
Company Overview & Market Shares	132
Trading Record	134
Year to April 2008	134
Current Trading	135
Store Portfolio	136
Retail Proposition	137
Space Allocation	138
Investments & Alliances	140
Outlook	141
CHAPTER 9 SMALLER SPORT SPECIALISTS	143
Overview	143
American Golf Discount Centre	147
Outlook	150
Blacks Leisure Group	151
Outlook	155

Table of Contents



Cotswold Outdoor	156
Outlook	159
Decathlon	160
Outlook	164
Ellis Brigham	165
Outlook	168
Evans Cycles	170
Outlook	173
Foot Locker	174
Outlook	178
Intersport	179
Outlook	182
M and M Direct	184
Outlook	187
Nevada Bob's Golf	188
Outlook	191
Snow and Rock	192
Outlook	195
Trespass	197
Outlook	200
CHAPTER 10 GLOSSARY	202
Financial Statistics – VAT	202

Table of Contents



Trading Profile	202
Key Operating Ratios	202
Physical Development	202
Abbreviations	203

LIST OF TABLES

Table 1:	Sports goods market definition 2008	24
Table 2:	Total consumer expenditure on sports goods 1998-2008e	25
Table 3:	Total consumer expenditure on sportswear 1998-2008e	28
Table 4:	Total consumer expenditure on sports clothing 1998-2008e	30
Table 5:	Total consumer expenditure on sports footwear 1998-2008e	31
Table 6:	Total consumer expenditure on sports/outdoor equipment 1998-2008e	33
Table 7:	Estimated consumer expenditure on sports/outdoor equipment by segment 2007-2008e	35
Table 8:	Estimated consumer expenditure on golf equipment 2003-2008e	36
Table 9:	Estimated consumer expenditure on fitness equipment 2003-2008e	36
Table 10:	Estimated consumer expenditure on camping equipment 2003-2008e	37
Table 11:	Estimated consumer expenditure on fishing equipment 2003-2008e	37
Table 12:	Estimated consumer expenditure on balls 2003-2008e	38
Table 13:	Estimated consumer expenditure on skates 2003-2008e	38
Table 14:	Estimated consumer expenditure on water sports equipment 2003-2008e	39
Table 15:	Estimated consumer expenditure on rackets 2003-2008e	39
Table 16:	Estimated consumer expenditure on other sports equipment 2003-2008e	40
Table 17:	Total consumer expenditure on bicycles 1998-2008e	41
Table 18:	Channels of distribution by type of retailer 2007-2008	43
Table 19:	Adidas retail sports proposition 2008	45

Table of Contents



Table 20:	Marks & Spencer sports proposition 2008	45
Table 21:	Nike retail sports proposition 2008	46
Table 22:	Fenwick sports proposition 2008	46
Table 23:	Harrods sports proposition 2008	47
Table 24:	House of Fraser sports proposition 2008	47
Table 25:	John Lewis sports proposition 2008	48
Table 26:	Asda sports proposition 2008	48
Table 27:	Tesco sports proposition 2008	49
Table 28:	Amazon sports proposition 2008	49
Table 29:	Argos sports proposition 2008	50
Table 30:	eBay sports proposition 2008	50
Table 31:	Shop Direct Group sports proposition 2008	51
Table 32:	Forecast total consumer expenditure on sports goods 2008-2013	52
Table 33:	Forecast total consumer expenditure on sportswear 2008-2013	54
Table 34:	Forecast total consumer expenditure on sports clothing 2008-2013	55
Table 35:	Forecast total consumer expenditure on sports footwear 2008-2013	56
Table 36:	Forecast total consumer expenditure on sports/outdoor equipment 2008-2013	58
Table 37:	Forecast total consumer expenditure on bicycles 2008-2013	60
Table 38:	Leading sports goods retailers market shares 2003-2008e	61
Table 39:	Top Three sportswear retailers market shares by segment 2003-2008e	63
Table 40:	Sports goods retailers key UK operating statistics 2007/08	66

Table of Contents



Table 41:	Sports goods space allocation 2008	68
Table 42:	Leading sports retailers advertising media expenditure total 2003-2007	70
Table 43:	Leading sports retailers' advertising media expenditure by media type 2007	70
Table 44:	Halfords company overview 2008	90
Table 45:	Halfords key operating statistics 2003-2008	91
Table 46:	Halfords trading record 2003-2008e	93
Table 47:	Halfords UK store portfolio 2003-2008e	95
Table 48:	Halfords group stores at March 2007 and 2008	95
Table 49:	Halfords retail proposition 2008	98
Table 50:	JD Sports Fashion company overview 2008	102
Table 51:	JD Sports Fashion key operating statistics 2003-2008	103
Table 52:	JD Sports Fashion trading record 2003-2008	105
Table 53:	JD Sports Fashion UK store portfolio 2003-2008e	107
Table 54:	JD Sports Fashion store split 2003-2008e	107
Table 55:	JD Sports Fashion store split 2007-2008e	108
Table 56:	JD Sports Fashion retail proposition 2008	110
Table 57:	JD Sports space allocation 2008	112
Table 58:	JJB Sports company overview 2008	116
Table 59:	JJB Sports key operating statistics 2004-2009e	117
Table 60:	JJB Sports trading record 2002-2009e	120
Table 61:	JJB Sports store portfolio 2003-2009e	122

Table of Contents



Table 62:	JJB store analysis by format 2003-2008	122
Table 63:	JJB Sports retail proposition 2008	125
Table 64:	JJB Sports space allocation 2008	128
Table 65:	Sports Direct International company overview 2008	132
Table 66:	Sports Direct International key operating statistics 2003-2008	133
Table 67:	Sports Direct International trading record 2002-2008	135
Table 68:	Sports Direct International UK store portfolio 2001-2008e	136
Table 69:	Sports Direct retail proposition 2008	137
Table 70:	Sports Direct space allocation 2008	139
Table 71:	American Golf Discount Centre company overview 2008	147
Table 72:	American Golf Discount Centre key operating statistics 2003-2008	148
Table 73:	Blacks company overview 2008	151
Table 74:	Blacks Leisure Group key operating statistics 2003-2008	152
Table 75:	Blacks Leisure Group store split at February 2008	152
Table 76:	Cotswold Outdoor company overview 2008	156
Table 77:	Cotswold Outdoor key operating statistics 2003-2008	157
Table 78:	Decathlon company overview 2008	160
Table 79:	Decathlon sales and store information 2003-2008	161
Table 80:	Decathlon Group store locations December	161
Table 81:	Ellis Brigham company overview 2008	165
Table 82:	Ellis Brigham key operating statistics 2003-2008	166
Table 83:	Ellis Brigham store locations and product offer 2008	167

Table of Contents



Table 84:	Evans Cycles company overview 2008	170
Table 85:	Evans Cycles key operating statistics 2003-2008	171
Table 86:	Foot Locker company overview 2008	174
Table 87:	Foot Locker key operating statistics 2003-2008	175
Table 88:	Foot Locker international store information 2003 and 2007	176
Table 89:	Foot Locker Group store numbers 2007	176
Table 90:	Intersport company overview 2008	179
Table 91:	Intersport key operating statistics 2003-2008	180
Table 92:	Intersport Buying Group sales 2003-2008	181
Table 93:	M and M Direct company overview 2008	184
Table 94:	M and M Direct key operating statistics 2005-2008	185
Table 95:	Nevada Bobs company overview 2008	188
Table 96:	Nevada Bob's Golf UK key operating statistics 2003-2007e	189
Table 97:	Nevada Bob's Golf European store split September 2008	189
Table 98:	Snow and Rock company overview 2008	192
Table 99:	Snow and Rock key operating statistics 2005-2008	193
Table 100:	Snow and Rock store locations and opening dates 1982-2007	193
Table 101:	Cycle Surgery key operating statistics 2006-2008	194
Table 102:	Trespass company overview 2008	197
Table 103:	Trespass key operating statistics 2003-2008	198

LIST OF FIGURES

Figure 1:	Price inflation/deflation in total retail and sports goods	1998-2008e	26
Figure 2:	Sports goods category shares	2003 & 2008e	27
Figure 3:	Sportswear share of total clothing & footwear market	2003-2008e	29
Figure 4:	Sports clothing growth compared to all clothing	2003-2008e	30
Figure 5:	Sports footwear growth compared with total footwear market	2003-2008e	32
Figure 6:	Sports/outdoor equipment share of total retail market	2003-2008e	34
Figure 7:	Bicycles share of total retail market	2003-2008e	42
Figure 8:	Consumer spend on sports goods and year-on-year growth	2003-2013	52
Figure 9:	Forecast consumer expenditure growth by sports good category	2008-2013	53
Figure 10:	Consumer spend on sportswear and year-on-year growth	2003-2013	55
Figure 11:	Consumer spend on sports clothing and year-on-year growth	2003-2013	56
Figure 12:	Consumer spend on sports footwear and year-on-year growth	2003-2013	57
Figure 13:	Consumer spend on sports/outdoor equipment and year-on-year growth	2003-2013	59
Figure 14:	Consumer spend on bicycles and year-on-year growth	2003-2013	60
Figure 15:	Winners and losers in sports goods market share	2008e on 2007	62
Figure 16:	UK sales densities of Top Three sportswear retailers	2006/07 and 2007/08	64

Table of Contents



Figure 17: UK space growth vs UK sales growth of Top Three sportswear retailers 2007/08 on 2006/07	65
Figure 18: Average UK sales per store 2007/08	67
Figure 19: External factors for sports retailers 2009	71
Figure 20: Threats and opportunities in the UK sports market 2009	77
Figure 21: Grocers impact on outdoor sports market 2009	81
Figure 22: Leading outdoor specialists sales growth 2004-2008e	83
Figure 23: Outdoor specialists strategies 2009	84
Figure 24: Growth opportunities in the bicycle market 2009	86
Figure 25: Halfords sports market share 2003-2008e	91
Figure 26: Halfords bicycles market share 2003-2008e	92
Figure 27: JD Sports Fashion sports goods market share 2003-2008e	103
Figure 28: JD Sports Fashion sports clothing and sports footwear market shares 2003-2008e	104
Figure 29: JD Sports space allocation, by product type 2008	111
Figure 30: JD Sports space allocation, by category 2008	111
Figure 31: JJB Sports sports goods market share 2003-2008e	118
Figure 32: JJB Sports sports clothing and sports footwear market shares 2003-2008e	119
Figure 33: JJB Sports space allocation, by product type 2008	126
Figure 34: JJB Sports space allocation, by category 2008	127
Figure 35: Sports Direct International sports goods market shares 2003-2008e	133
Figure 36: Sports Direct International sports clothing and sports footwear market shares 2003-2008e	134

Figure 37: Sports Direct space allocation, by product type 2008	138
Figure 38: Sports Direct space allocation, by category 2008	138
Figure 39: Sports Direct International holdings in other companies, October 2008	140
Figure 40: American Golf market shares 2003-2008e	149
Figure 41: Blacks estimated market shares 2003-2008e	154
Figure 42: Cotswold Outdoor estimated market shares 2003-2008e	158
Figure 43: Decathlon estimated market shares 2003-2008e	163
Figure 44: Ellis Brigham market shares 2003-2008e	168
Figure 45: Evans Cycles estimated market shares 2003-2008e	172
Figure 46: Foot Locker market shares 2003-2008e	177
Figure 47: Intersport estimated market shares 2003-2008e	182
Figure 48: M and M Direct estimated market shares 2003-2008e	186
Figure 49: Nevada Bob's Golf estimated market shares 2003-2008e	191
Figure 50: Snow and Rock market shares 2003-2008e	195
Figure 51: Trespass estimated market shares 2003-2008e	200