

Running into the weekend

An update on the European specialty run channel from Sport 2000

Industry Overview

Asics, ON hold top spots at Sport 2000

We hosted an expert call with Sport 2000, Europe's second largest retail services organization (3,500 stores) with retail sales of roughly 6.5bn EUR, of which running represents 12% (contact team for replay link). Sport 2000 has a network of multi-category and pure category specialty stores including 180 specialty run stores, though nearly 800 stores are doing significant running business. For the entire network, Asics holds 34% market share, ON 23%, Brooks 20%, HOKA 14%, and New Balance 9%. Brooks holds the greatest market share within Sport 2000's specialty run network (although share is declining), followed by ON, Asics, New Balance, and HOKA.

Sport 2000 planning business down; brands expect growth

2023 was a year of excess inventory, weaker demand, and discounting (in Europe). The expert believes inventory and discounting in the channel have cleared up, but given the volatility in '23, retailer order books for Sport 2000 (entire biz, more than running) are expected to be down double digits in '24. That said, brands have a more positive outlook (on avg) and are projecting single digit growth this year. If brands are correct in their projections, retailers will need to chase and brands which are best positioned to provide more product to the channel will be relative winners. Within the specialty run network, the expert expects +SD growth in 2024 on top of last year's 5-6% growth. Pre-orders are down but the expert thinks demand will create a need for more product to flow in.

Key brand callouts from HOKA, ON, adidas

HOKA: In '23, growth was relatively flattish. In '24, within Sport 2000's retail network, the expert sees a single-digit decline in order books for HOKA given the brand's focus on its own DTC channel. The expert cited that HOKA has a loyal customer base and the decline in order books is not due to any weakness in the product.

ONON: Had a 23% share of Sport 2000 speciality running sales in 2023, which was 2nd after ASICS (34%). ONON's total brand share however (including lifestyle) was similar to ASICS. About 50% of ONON product purchased is utilised for speciality run purposes (HOKA 80%, Brooks 100%, New Balance 40%), while the balance for lifestyle. ONON grew strong single-digits in 2023 with speciality run portion up double-digits. Sport 2000 members have lower pre-orders y/y for 2024, however the expert sees strong single-digit growth for both **ON** and **Asics** over the coming year.

adidas: Is a very small share of Sport 2000 sales, however its relationship with members is changing for the better. The brand's recommitment to speciality run is becoming tangible post several years of focussing on its own DTC. Retailers want more than just technology, and adidas is improving where it matters (product access, sales agents and support, better commercial terms to help margins). The expert sees the outlook for adidas as very positive if it continues to engage with retailers and sees the brand as moving quicker in specialty run compared to **Nike**.

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