

## SWOT Analysis: DICK'S Sporting Goods

### Strengths

Subsidiary and portfolio diversity.

- a. Rationale: By owning multiple brands (Foot Locker, Golf Galaxy, WSS, etc.), DICK'S can reach multiple audiences and does not rely on a single brand. This allows consumers to shop for their preferences, in individual stores and together at DICK'S.

Data retention via GameChanger platform.

- a. Rationale: DICK'S owns a digital platform that can track consumer data and engagement directly on its site. This benefits them by helping tailor marketing and product development.

Multi-channel operations.

- a. Rationale: DICK'S combines e-commerce, mobile, and brick-and-mortar stores. Allowing the consumer to consume and engage with the product through a multitude of channels.

### Weaknesses

Brick-and-mortar stores are costly.

- a. Rationale: Retail stores are costly and expensive to operate. These costs depend on foot traffic, the economy, and the community.

Dependency on third-party brands.

- a. Rationale: DICK'S Sporting Goods, Foot Locker, WSS, etc. rely on inventory coming from major brands. This may put pressure on the brand and create issues if it prioritizes direct-to-consumer channels.

Traditional retailer vs lifestyle brand.

- a. Rationale: DICK'S is a retail giant, like Target or Walmart, but for sports. It lacks a clear identity in the sports world like Nike, Adidas, or Puma, making it less appealing to Gen Z, who thrive on relevance.

## Opportunities

Sneaker culture global awareness.

- a. Rationale: Sneaker culture and reselling have boomed in popularity with Gen Z. This demand and popularity can benefit DICK'S with its subsidiary Foot Locker if it positions itself as a leader in sneaker culture.

Growth of youth sports and participation.

- a. Rationale: Increasing spending on youth sports aligns with DICK'S core audience. By establishing themselves early on with audiences, they have an early association with the youth.

Digital growth, content, and community integration.

- a. Rationale: Consumers are seeking both physical and digital sports experiences. DICK'S can take advantage by creating experiences at global events and festivals, growing engagement and awareness.

## Threats

Shifts in consumer behavior and loyalty.

- a. Rationale: Younger consumers are less loyal and more trend-driven. Due to this, it is hard to maintain consistent engagement and build loyalty.

Gen Z economic issues.

- a. Rationale: Sporting goods items are not essential, which makes it difficult for businesses to maintain during economic downfalls.

Competition from specialty and online retailers.

- a. Rationale: Consumers are oversaturated with where they can purchase products, and there is competition over availability and price.

## Strategic Insights and Recommendations

Own the youth sports sphere.

- a. Rationale: It aligns with growth in youth athletics and building brand association with sports purchasing.
- b. Success Metrics: Youth segment revenue, partnership, and sponsorship with teams.

Develop and build a Sneaker and product drop strategy.

- a. Rationale: Capitalizes on sneaker culture growth and uses Foot Locker as an asset.
- b. Success Metrics: App engagement through launches, sell-through rate for each drop.

Focus on consumer membership and brand loyalty.

- a. Rationale: Gen Z loyalty would grow through membership and perks.
- b. Success Metrics: Membership growth and repeated purchases.

Expand and focus on event and experiential moments.

- a. Rationale: Uses and leverages cultural events and moments, building hype, awareness, and differentiation from other brands.
- b. Success Metrics: Increase in retail traffic, event attendance, and social media mentions.

Focus on limited edition and collaboration products.

- a. Rationale: Digital and in-store drops and limited edition products garner attention, drive online sales, and association with special products.
- b. Success Metrics: App downloads, traffic, demand for collaboration products.

#### Synthesis - Strategic recommendations

DICK'S Sporting Goods is at the forefront of retail, sport, and community, however future growth depends on the association of just being a traditional retailer to becoming a cultural platform. There are brands like Nike SNKRS app, GOAT, Highsnobiety App, and Stock X that are directly associated with drops and sneaker culture, DICK's should leverage the multitude of brands under their name to build their association with culture. By using its ecosystem that includes a multitude of channels that live online, through retail and experiential stores, creating data-driven consumer journeys that competitors are not able to replicate. Reducing reliance on third-party brands can strengthen emotional brand connection, with Gen Z will determine the future of DICK'S Sporting Goods and how it will exist. They will thrive if they are able to remain relevant and culture driven.