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## **A STUDY ON THE STATUS OF SPORTS GOODS RETAIL MARKET**

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# A Study on the Status of Sports Goods Retail Market

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**Abstract – Sporting industries is expanding and growing rapidly since from last few decades world-wide. More and more people are participating in sport and recreational activities throughout a wide spectrum of sporting activities. Indian sports goods retail industry had shown positive significant growth since past few years. The sports goods manufacturers are manufacturing more value-added products rather than the traditional sports products manufactured, resulting they had significantly benefited to sustain global challenges from this highly competitive and fastest growing speed of this sector. Use of latest technology by sports goods manufacturers benefited them to lower the cost of product also various incentives received from Government time to time has helped this industry to gain significantly. Sports goods retailers have to improve with time, with various organizations competitively vying for people interested in participating in sports and recreational activities.**

## INTRODUCTION:-

Sports Goods is defined as tangible, physical products that offer benefits to consumers. Conversely, services are intangible, non-physical products. Most sports products possess the characteristics of both goods and services. For example, a sporting event sells goods e.g. concessions and services e.g. the competition itself. Sports goods industry comprises of all types of health and fitness equipment's, apparels/hosiery, sports shoes, various sports equipment's and accessories which are sold by sports good retailers and whole sellers. It is axiomatic that consumers participate in the activities for which they need to buy various sports products; where as in some cases it may be in obverse condition people may not buy products for participation; e.g. Tread - mill may not be used by all Health clubs, Cricket Matting, Helmets may be shared by one or more teams.

When there is a direct and unambiguous connection between product and sports, relationship between participants and markets trends are clear due to various factors. The Indian sporting goods market show strong growth in 1980s. As demand for apparel and various fitness equipment's too remain strong due to large interest of consumers and media coverage of various sporting events. Sports goods manufacturing industry in India is old by more than decades together. In India, Meerut and Jalandhar is famous for manufacturing sports goods and are having reputed sports industries. Foreign investment in sports goods in multi-brand has great impact on retail sector of sports goods. Indian sports products are emerging fast in the global market and also plays an important role in the global markets.

This Industry is rapidly adopting the latest available technologies for manufacturing the sports goods to keep pace with the fast changing global trends. With the increased and fast expanding overseas market the demand and presence of Indian sports products is rapidly increasing both in Indian and International markets. There has been an increasing concentration on optimal utilization of available resources for maximizing the returns on investments by proper marketing the sports goods. Entry from various countries in marketing their sports products has forced this industry sector to tilt towards mechanization and use the latest modern machineries for manufacturing the various sports goods.

Major changes has been seen in the retail market of sports goods products in terms of various factors since last few decades due to the rapid increase of media participation in sports. Traditionally the sports goods in India was sold through specialized sporting goods stores only, recently in the fast emerging market this distribution patterns of sports goods have undergone major important changes.

Recently, large departmental stores, Malls, Toy's Outlets etc. are also selling the sports goods that too the branded products as desired by consumers and as per the market demand of that region there by impacting the sales figures of traditional sports goods retail outlets. Due to this reason the exclusive sports goods retailers outlets has been decreasing in India and the local manufacturer of various sports products are finding difficult to secure their place for their products in this highly competitive market of sports goods segment. Also, expansion of existing outlets and upcoming of exclusive new franchisee for latest sports product had great impact on sales of traditional

sports retail outlets. Also, concept of online booking, home shopping frequency through electronic media, use of Internet for searching the latest sports products are fast increasing their presence in the market segment of sports goods. Ability to provide after sales service, employee's ability and knowledge for convincing consumers for particular sports products, employee's in depth knowledge and aquatinted with the technical specifications for various sport products, behavior of employees, timely delivery of sports goods, reliability of sports products, etc. are the major key factors that are plays a major role in the sales of sports goods in retail category segments and that too in a recently highly competitive retail market of sports goods in India.

Indian sports goods manufacturers are seeking joint ventures and technical collaborations with buy back arrangements for those particular sports products that are not marketed in India but are having vast export potential in sports goods market. With the national economy reforms process underway & due to the country liberalized industrial policies the Indian sports goods industry is slated for unprecedented growth in the near future if the current pace continues.

Indian sporting goods market performed well in last few decades; currently growth in this sector has slightly slowed. The causes traced are due to changes in demographics, high prices of the newly innovated sports goods and frequent changes in consumer preferences. Some sports goods manufacturers in India are still associated with single line product, where as other carry a multitude and vast range of various sports products. As to sporting events which are the main market driver and media coverage for particular sporting events is far greater than it used to be, use of safety equipment's in sports, improved quality of sports products etc. have positioned themselves in the sales figures in sporting goods market.

## REVIEW OF LITERATURE:

Brettman (2012) conducted a study on bulk sales related to sports goods, hosiery, shoes, fitness and health equipment's and other branded sports products and stated that the sales reached \$77.3 billion in 2011. There was an increase of 4.2% when compared with 2010's wholesale sales which was \$74.2 billion which was quoted in 2012 in "State of the Industry Report" of the association after downward trends in 2008 and 2009. The report states that the wholesale sports goods shows upward trend uptick showed that, at the retail level as the sports goods consumers were making more purchases which had slowed down in previous two years. A lot of people work out on a regular basis and they realize if they don't have their health, they have nothing. In Sports Goods Manufacturing Association report, it highlighted that the consumers who spent money previously on purchases of sports products formerly they spent

nearly 25% more in 2011 than in 2010. It's not surprising that team sports had a big jump in spending but also parents on high priority are fulfilling the needs of their children related to sports products said SGMA President Tom Cove. As sales percentage of overall sporting goods industry grew in the U.S., e-commerce sales continue to play a bigger role. The percentages from 3.6% in 2006 to 6.2% in 2011 have continued to increase every year. The future of the entire sports, health and fitness, recreation industry in the U.S. is filled with optimism based on the input from industry leaders.

Kasen (2011) studied on sales of sporting goods in U.S. He states that in 2009, the sale shows a downward trend of 2% in U.S. The sales of sporting goods in retail segment in 2010, which includes equipments, hosiery and footwear rose over 5% as stated in the NSGA report "The Sporting Goods Market in 2011. In 2010, a sale of sporting goods touched \$53.7 billion and forecast to rise 2% to \$54.7 billion for 2011. Athletic and sports equipments, showed a 5.4% increase which accounted for \$26.01 billion in sales. There port forecast that there will be 2% increase in equipment sales for 2011. In 2010, athletic and sport footwear sales showed 2% increase resulting gross revenue of \$17.48 billion and quoted that the sales of sports footwear will show 1% increase in sales for 2011. Sports hosiery sales increased to 10% increase to \$10.17 billion and forecasted that there will be a rise of 5% in sports hosiery sales for 2011.

Arnott (2012) studied that there was significant growth in the number of purchase of online sporting goods by consumers. Hosiery and footwear purchases online of sporting goods particularly are leading as compare to the purchases in other sports products by consumers. In this study researcher found that online purchase of footwear was 11.5% and 6.8% of this purchases was made through international retailers. Sports apparels purchase made online was 7.6%. The research also investigated that consumers are becoming more willing to purchase online and that too from an online retailer who provide this service. This report gains weight to the anecdotal reports from retailers which states that around 15% online sales of sporting goods particularly in hosiery and footwear category are done by consumers. It's a good sign for retailers of sports goods that sports retailers recognize that there are vast opportunities for domestic online retailers and are ahead in use of the technology innovated which has great impact on their sales. Irrespective of the results the retailers in the sports industry must move quickly to take advantage of the technology and can increase the numbers of their customers who are diverting their spending in the sporting goods category by purchasing the sports products through online channel.

Kasen (2012) studied on sales of sporting goods in U.S Sporting Goods Stores. He stated that sales of

sporting goods from retail outlets rose by 9.4% in February as per the Monthly Retail Trade Survey prepared by the U.S. Census Bureau. The rise was 4.0% in December as compare to the sales in the same month in 2011 which was followed by an increase of 3.4% in January. The sale for the reporting month February was \$2.8 billion (preliminary). Total sales for 2011 were \$40.9 billion which show an increase of 1.7% for the year when compared with 2010 there was a jump of 6.6%. The sales for 2009 were \$37.7 billion which shows an increase of 1.6% for the year. Comparatively the sales were up by 2.3% for 2008 with revenue of \$37.1 billion as compared to sales of \$36.3 billion in 2007. This U.S. Census Bureau estimates are based on data from the Monthly Retail Trade Survey, Annual Retail Trade Survey, and administrative records. The annual sales estimate for sporting goods stores in the U.S. Census Bureau Monthly Retail Trade survey is consistent with sporting goods sales reported in the NSGA study "The Sporting Goods Market 2011."

Prashar (2011) studied that India is developing a sports goods sourcing hub. There has been an average annual growth rate of 10-12% in past five years of sports goods industry. Major growth is achieved due to the Export of sporting products which is the main focus of this industry. Also, series of major sporting events are hosted in India which helps to flourish and given a boost to this sector and helps in increasing sports awareness. Also, Indian Government has started focusing on sports promotion and exports of sports goods, resulting, in the past few decades the retailing of sports goods has seen a miraculous growth in India and has helped to change the consumers' preferences. Grasping the changes foreign branded sports goods have entered and penetrated in Indian market because of the growth and changes adopted by consumers in the sector of sports goods modern retailing. Also sports goods foreign retailers are attracted by the fast growing Indian retail market, consistently high GDP, rising per capita income, large consumer base among others factors which have attracted them. India ranked first among 30 emerging markets for foreign retailers for 3 consecutive years, (2005 to 2007). Indian market regained their position in 2009 when it was ranked second after Vietnam in 2008. Totally depended on various government policies the sports retailing involves working with government organizations, sports federation/ clubs, etc. not only in the retail sector but also in allied sectors like manufacturing, etc. Highly innovative approach related to related to manufacturing of sports goods are few important stepping stones that have carried forward the sports goods manufacturing industry in India combined with a sense of social responsibility in the larger interest of the society.

## **RESEARCH METHODOLOGY:**

The scholar selected survey method for the study of the problem. To survey and collect data in the region questionnaire, interviews and personal observations by the researcher was opted. As the survey was related to sports profession, scholar has taken large efforts to collect maximum opinions by interviewing coaches, players, few manufacturers of sports goods, retailers and wholesalers of sports goods in the region, various consumers of sports goods, personal observations.

In survey study, Questionnaire is the best tool used for data collection because the requisite classified information can be collected. The scholar after consulting the experts in sports fields and with the consent of guide prepared questionnaires For Sports goods Retailers to collect the data. Trial run of the questionnaire was sent to the experts in these fields for their suggestions. The valuable suggestions from the experts has helped the scholar in correcting language, detecting flaws, difficulty of various terms, instructions etc. After that, a final shape was given to the questionnaire for respondents with consent from the guide.

The scholar has written a requesting letter to all the respondents i.e. Retailers of sports goods and a self-address envelope was send to respondents. But after waiting for a month to get response from respondent only approximately 42% of them responded. Scholar decided to visit various places in the region to collect the data personally which in turn give good response and also valuable suggestions regarding the topic received from the experts. Finally, the response received from various categories was 293 from Sports goods Retailers.

This research is built on comparison between existing activities and estimated activities. Due to the assumptions connected with estimations, the results could be questionable in terms of its credibility. However, researcher viewpoint is that the estimations are based on a solid investigation therefore the study is relatively convictive. Also management field may opt this study in different ways. Sports related professions are increasingly becoming a career of choice for youth. Most job openings are in retail sales professions which aren't easily replaced by computers. Yet, it was quite difficult to enter this industry as the researcher sent out several inquiries and questionnaires and only few of those addressed agreed to answer these requests. The results of this thesis could have been more representative, if more respondents had answered to the questionnaire and the data may be made easily available from different Physical Education Institutes.

## **ANALYSIS:**

The mere collection of data or gathering of more data is not the only aim of the researcher but proper tabulation, analysis, presentation and interpretation are essential parts which the research scholar feels. However, use of statistics is gaining importance to conduct advance and ex post facto evaluation of the various policies and their impact in the market. Also, it has gained its importance from sports goods retailers for guiding them to make accurate decisions to frequently adopt major changes which are essential in this segment i.e. social and economical globalization, rapid technological changes, etc.

Thus the main aim of the scholar is to present statistical data in a justified manner so that it may give sufficient consideration and help the retailers and consumers of sports goods to present the scattered information in legal way so that general public can also use it. As multi faceted evaluation is necessary in this sector to grasp accurately the economic value created in this sector. It is necessary to measure output from sports field but also get acquainted with the consumption trends and income generated.

## CONCLUSION:

Following conclusions are summarized as under.

1. Only 29.69% retailers of the region were active sports persons or were active participant in sports activities during their young age.
2. Only 41.64% sports goods retailer's outlets are located in commercial locality and only 18.77% retailer's outlets are located near play grounds
3. Only 26.96% retailers keep more than 15 varieties of each sports goods available in their outlets.
4. 48.46% manufacturers/ wholesalers do not provide detailed catalogue for the sports goods.
5. Only 64.51% marketing agents disclose the company policy regarding sales of particular sports goods.
6. Only 63.82% sports goods manufacturers / whole sellers show sincere interest in solving consumer's problems.
7. 34.13% sports goods consumers prefers Imported sports goods while purchase.
8. Only 34.81% of the sports goods retailers give Cash Discounts to their customers when they purchase in bulk the sports goods.

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