

SWOT ANALYSIS AND STRATEGIC INSIGHTS

SWOT

Strengths (internal):

- Financial Strength
 - Leading sports retailer with a market capitalization of \$17 billion
 - Strong financial performance in recent quarters with a 2.7% growth rate
 - Ranked by CNBC as the most significant players in the sporting goods industry since 2018 controlling over 14.2% of the market
 - Heavy investment in e-commerce which increased sales by 46% from 2018 to 2021
 - Consistent sales growth provides stability and resources for expansion, innovation, and marketing
- Strong Brand Presence
 - One of the largest sporting good retailers in the US
 - Strong brand trust and audience loyalty among sports focused consumers
 - Established reputation as a reliable destination for sports supplies, gear, apparel, and footwear
 - Strong brand presence helps better position DSG among competitors.
- Omnichannel Strategy
 - Stores function as distribution centers, strengthening both in store and online operations

- DSG leadership has specifically mentioned that a successful omnichannel strategy requires agility, reliability, and communication across the supply chain (which they showcase)
- Creating an overlap of physical stores and online shopping improves customer experience and convenience
- Diverse Product Offerings
 - DSG offers a wide range of products, including sneakers, hiking boots, sports equipment, athletic apparel, outdoor gear, etc
 - Offers products for a variety of sports and activities in one environment
 - Carries a variety of major brands such as Nike, Adidas, Puma, etc
 - DSG carries countless styles, colors, sizes, and product categories, which allows the brand to serve many different types of athletes and consumers

Weaknesses (internal):

- Limited Social Media Engagement
 - Some brands gain cultural influence through creative and viral social media content
 - Brands such as Rhode or Jack in the Box have built strong identities through social media engagement and viral moments that become cultural moments
 - DSG has a lesser presence and does not generate the same level of creativity or engagement online
 - This limits the brand's ability to stay culturally relevant, especially with younger audiences
- Limited Cultural Relevance Among Gen Z and Fashion-Forward Consumers

- Often viewed as a practical store rather than a fashion-forward one
- Less relevance among Gen Z audiences, female shoppers, and fashion-forward consumers
- DSG brand image is more associated with traditional sports purchases rather than sneaker culture or trends
- Dependence on Discretionary Spending
 - According to Investing.com, the brand relies heavily on customers' spending discretionary income
 - Sporting goods and athletic apparel are typically considered non-essential purchases
 - The current economy may reduce consumer spending on products
- Limited Creative Control Over Products
 - Carries many third-party brands such as Nike, Adidas, and Puma
 - Because these products are designed by outside brands, DICK'S has limited control over product design or innovation
 - This can make it harder for the brand to differentiate itself from competitors

Opportunities (external):

- LGBTQ+ Inclusion
 - Support for the LGBTQ+ community continues to increase, especially among younger audiences
 - Inclusive brands have stronger relationships with these audiences and have more loyal consumers

- Expanding inclusive marketing or product representation may help reach more diverse consumers
- Growth of Fashion Forward Athletic Footwear
 - Athletic footwear is increasingly blending with fashion
 - Some shoes combine sneaker comfort with designs similar to loafers, ballet flats, or boots
 - This shift shows that sneakers are moving beyond sports and into lifestyle fashion which DSG should take advantage of by partnering with non-traditional brands
- Gen Z Support for Socially Conscious Brands
 - Gen Z consumers often support brands that align with their social values
 - Brands such as Ben and Jerry's have gained strong support from Gen Z by speaking openly about social issues
 - Clear brand values can strengthen loyalty and engagement among younger audiences
- Growth of Women's Sports
 - Women's sports are receiving increased media attention and fan interest
 - The expansion of the WNBA and the popularity of female athletes such as Caitlin Clark and JUJU Watkins have generated strong engagement
 - This cultural momentum creates opportunities to reach more female sports fans and the strong and loyal fanbases of these famous female athletes
- Growth of Health and Wellness Culture
 - Fitness, wellness, and gym related content receive billions of views on social media

- Activities such as pilates, yoga, and gym-going are increasingly popular
- Many younger consumers are interested in health-focused lifestyles and athletic clothing that fits into everyday fashion

Threats (external):

- Competition from Fashion Forward Retailers
 - Competitors are expanding their sneaker and athletic footwear offerings
 - Fashion trends are also shifting toward loafers, ballet flats, and other non-athletic footwear styles
 - These shifts may reduce demand for traditional sports sneakers
- Economic Uncertainty and Inflation
 - Rising gas prices, higher grocery costs, and inflation reduce consumer spending power
 - Families may cut back on non-essential purchases such as athletic gear and sneakers
- Growth of Social Commerce Platforms
 - Platforms such as TikTok Shop allow consumers to purchase products directly through social media
 - These platforms promote viral products and offer lower prices or faster shipping
 - This creates competition for traditional retailers
- Rise of Counterfeit Products and Low-Cost Alternatives
 - Consumers may purchase cheaper versions of branded products from platforms such as DHgate
 - These alternatives reduce demand for full-priced name-brand products

- Competition from Athletic Lifestyle Brands
 - Brands such as Lululemon are expanding into footwear with products like the Cityverse and Blissfeel shoes
 - These products are heavily researched and designed specifically for women's feet
 - Lululemon already has strong brand loyalty among female consumers, which increases competition in athletic footwear, especially for a demographic that DSG hasn't tapped into heavily yet, but should

Strategic Insights:

1. Launch Limited Sneaker Releases Around Cultural Moments

- DICK'S Sporting Goods lacks cultural relevance among Gen Z and fashion-focused consumers despite its strong brand presence and financial strength. One way to address this is through limited sneaker releases tied to cultural moments such as the Fourth of July or major summer festivals. Patriotic-themed releases in red, white, and blue around Independence Day can generate excitement while aligning with national sports pride. Limited releases tied to specific dates create urgency and exclusivity, which are important drivers of sneaker culture and encourage consumers to purchase quickly before products sell out.
- Success Metrics:
 - Sales of limited sneaker releases
 - Social media engagement during releases
 - Website traffic to sneaker product pages data

2. Leverage the 2028 Olympics

- Large global sporting events create significant cultural attention and media coverage. One of the host cities for the 2028 Summer Olympics will be Los Angeles, a major hub for sports, entertainment, and culture. As a leading sporting goods retailer, DSG can use this moment to connect a global audience with sneaker culture through themed product releases, athlete partnerships, and event based marketing campaigns. Olympic themed sneakers or retail campaigns celebrating American athletes can strengthen the brand's connection to sports while attracting younger consumers who follow major global events. It'll also attract an international audience during a historical moment where the nation is in the spotlight.
- Success Metrics:
 - Sales of Olympic themed products
 - Brand mentions and media coverage during Olympic campaigns
 - Growth in younger audience engagement during Olympic marketing periods

3. Partner With Rising Female Athletes Such as Alysa Liu

- The SWOT analysis identified the rapid growth of women's sports as a major opportunity. Partnering with athletes who represent the next generation of competitors can help the brand reach younger audiences and female consumers. Olympic champion Alysa Liu is an example of an athlete who resonates with Gen Z audiences due to her age, individuality, and cultural presence. Her fans even dye their hair like hers due to the cultural impact she has and the sudden rise in popularity. Liu recently became the first American woman in 24 years to win Olympic gold in women's figure skating, making her a powerful symbol of modern athletic success. Featuring athletes like Liu in

campaigns or limited sneaker collaborations allows DICK'S to highlight women's sports while expanding its appeal beyond its traditionally male focused customer base.

- Success Metrics:
 - Growth in women's athletic apparel and footwear sales
 - Engagement with campaigns featuring female athletes
 - Increase in female customer segments across key markets

4. Build Credibility in Sneaker Culture Through Media Partnerships

- The SWOT analysis identified limited cultural visibility in fashion and sneaker communities as a weakness. Publications and media platforms such as Hypebeast and Complex strongly influence sneaker trends and streetwear culture among younger audiences. Partnering with these outlets for editorial coverage, sneaker launch announcements, or event features can increase the brand's credibility in sneaker culture. Media collaborations help position DICK'S as a participant in the fashion and sneaker conversation rather than only a traditional sporting goods retailer.
- Success Metrics:
 - Media coverage in sneaker and streetwear publications
 - Increase in traffic to sneaker product pages
 - Growth in Gen Z engagement across digital channels