

COMPETITION MAPPING AND MARKET ANALYSIS FOR SPORTSWEAR

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ABSTRACT

The sportswear market in India has evolved from a niche segment to a thriving consumer sector, driven by factors like rising income levels, changing lifestyles, and increased interest in sports. Cricket's popularity, along with other sports like football, hockey, and tennis, has boosted the demand for functional sportswear. Sportswear is now not just for athletes but also for casual wear, expanding the target consumer base. Globally, the sportswear market reached nearly USD 313.22 billion in 2023 and is expected to grow further, with footwear being the largest segment. Despite growth, India's sportswear market is mostly unorganized, with organized players making up only about 30% of the market. Research and analysis of market trends are crucial for meeting customer demands and maintaining brand profitability.

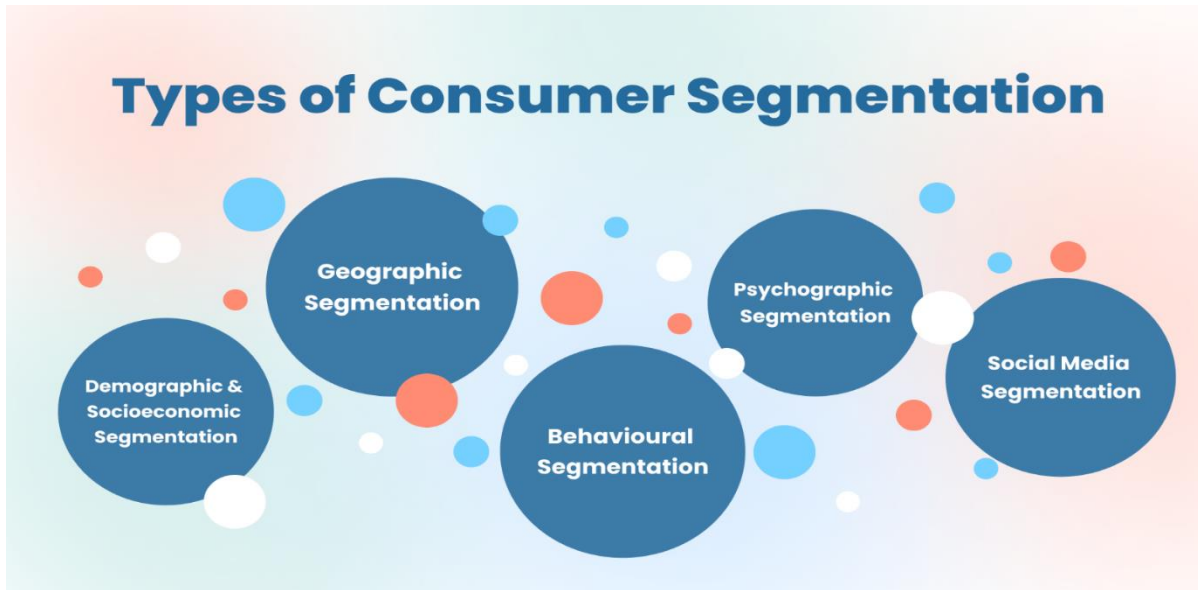
INTRODUCTION

Decathlon, established in France in 1976 and expanded to India in 2009, is dedicated to making sports accessible to all. They offer top-quality products at affordable prices, catering to beginners and professionals alike. Decathlon stands out for its ability to design, manufacture, and sell technically advanced yet budget-friendly sports gear. They collaborate with athletes globally, utilizing cutting-edge technology to deliver quality. In India, they boast the largest sporting goods retail network with 800 stores. Their diverse range of sports equipment caters to all demographics, backed by years of effective marketing, fostering strong brand loyalty. Key brands include Artengo, Btwin, and Domyos, each excelling in its category. The company hierarchy in India is led by CEO Michelle, overseeing departments such as India Production, Finance, E-Commerce, and more, with a structured hierarchy down to the store level.

REVIEW OF LITERATURE

Competitor mapping is a strategic tool used in competitor analysis to evaluate the strengths and weaknesses of existing and potential competitors. It involves profiling competitors based on factors like market commonality and resource similarity, which help in identifying their competitive advantage and strategic decisions. Competitor analysis aids in formulating competitive strategies, understanding market dynamics, and informing decision-making processes. It allows businesses to gain insights into competitors' past, present, and future strategies, anticipate their actions, and respond effectively to market changes. Overall, competitor analysis is crucial for strategic planning, fostering a shared understanding of the competitive landscape, and establishing a foundation for decision-making processes.

Types of Consumer Segmentation



NEED OF THE RESEARCH

Decathlon, aiming to provide affordable sports benefits, must focus on cost reduction and competitive analysis to expand its customer base. Key steps include analysing market trends, segmenting customers, assessing competitors, evaluating product performance, understanding customer preferences, defining a unique value proposition, optimizing costs, and exploring expansion strategies. Challenges include being new in the Indian market, facing high inflation, seeking opportunities for expansion, limited global presence, and facing stiff competition from global and domestic players. Competitor analysis is crucial to maintain competitiveness and satisfy customers, especially in a competitive environment with limited cost advantages.

OBJECTIVE: COMPETITION MAPPING AND MARKET ANALYSIS FOR SPORTSWEAR.

- 1) Market Research: It's the systematic gathering and analysis of data about a specific market or audience. This helps companies make informed decisions about product development, pricing, and marketing by understanding customer preferences and market trends.
- 2) Reducing Stock Holding Cost: It's crucial for managing inventory efficiently and boosting profitability. This involves strategies like accurate demand forecasting, efficient procurement, and promoting sales to speed up inventory turnover.
- 3) Competitor Positioning and Value Proposition: Understanding how competitors position themselves and their perceived value in the market helps businesses identify opportunities for differentiation and develop effective strategies to compete.
- 4) Assortment Breadth and Depth: Analyzing the variety, quality, styles, sizes, and brands of products stocked helps businesses tailor their offerings to meet diverse customer needs and stand out in the market.

5) Price Points of Different Categories: Examining pricing strategies across product categories helps businesses understand price ranges and competitive dynamics within each category, guiding pricing decisions.

6) Promotion Mix of Competitors: Analyzing competitors' marketing strategies across various channels helps businesses identify trends, gaps, and opportunities in promotions, enabling them to refine their own promotional strategies effectively.

RESEARCH AND METHODOLOGY

Primary Data:

- Direct Personal Observation: Face-to-face interviews with frequent purchasers of sportswear.
- Indirect Oral Interviews: Gathering data from previous reports, projections, and sales records, categorized by customer reactions.
- Mailed Questionnaires: Surveys distributed via mail to gather customer preferences and experiences with sportswear.

Secondary Data:

- Competitor Mapping
- Comparative analysis of Stores and online portals.
- Demographic Study

Methods of Collecting Market Information:

Desk Research:

- Sourcing information from diverse channels such as journals, electronic databases, newsletters, and research agency reports.
- Scrutinizing, authenticating, and categorizing data acquired through desk research.

Quantitative Studies:

- Retail audit: Gathering information on competitors' product range, price range, and store locations.

Qualitative Studies:

- SWOT and 5P's analysis: Assessing strengths, weaknesses, opportunities, and threats, along with product, price, place, promotion, and people analysis.
- PESTLE analysis: Identifying additional opportunities and threats.
- Group discussions: Facilitating free exchange of opinions based on collected data.
- Decoding and analyzing data to produce a final report.

COMPETITOR'S ANALYSIS THROUGH COMPETITOR ARRAY

- ✓ Define your industry -scope and nature of the industry.
- ✓ Determine who your competitors are.
- ✓ Determine who your customers are and what benefits they expect.
- ✓ Determine what the key success factors are in your industry.
- ✓ Rank the key success factors by giving each one a weighting -The sum of all the weightings must add up to one.
- ✓ Rate each competitor on each of the key success factors

DETERMINING THE KEY SUCCESS FACTOR:

Competitor Analysis is done concerning the following key parameters 5P:

1. Positioning
2. Product
3. Price
4. Promotion
5. People

SWOT ANALYSIS

Analysis is a structured planning approach to assess the Strengths, Weaknesses, Opportunities, and Threats involved in a project. SWOT analysis is not only beneficial during the company's inception but remains relevant throughout its lifespan. It can also be applied to competitors to understand how to enhance marketing and product strategies. Setting objectives should follow the SWOT analysis to establish attainable goals for the organization. • Strengths: Attributes of the business or project that confer a competitive advantage.

- Weaknesses: Characteristics that put the business or project at a disadvantage compared to others.
- Opportunities: Elements that the project can leverage for its benefit.
- Threats: Environmental factors that could potentially hinder the business or project.

SWOT analysis aids in evaluating each competitor's cost structure, profit sources, resources, competencies, competitive positioning, and product differentiation.

NIKE SWOT ANALYSIS.**Strengths:**

- Leading global brand in sports apparel and shoes.
- Recognized for excellent workplace culture and innovation.
- Collaborates to introduce innovative products.
- Produces lightweight shoes, appealing to consumers.

Weaknesses:

- High-priced products compared to competitors.
- Allegations of labour violations in Vietnam, child labour in Cambodia and Pakistan.

Opportunities:

- Expansion into high-profit areas like sportswear and sunglasses.
- Establishing stores in emerging market tier 2 cities.
- Establishing sports academies to enhance brand visibility and nurture talent.

Threats:

- Intense competition in footwear market.
- Vulnerability to currency fluctuations.
- Challenge of counterfeit products.
- Rival brands adopting new techniques and innovations.

ADIDAS SWOT ANALYSIS**Strengths:**

- Long-established heritage and strong brand value since 1924.
- Sponsors major sporting events and personalities, boosting visibility.
- Global presence and recognition.
- Diverse product range from shoes to clothing and accessories.

Weaknesses:

- Some products are pricey due to advanced technology.
- Faces intense competition, leading to brand switching.

Opportunities:

- Introducing 60 new foot-friendly designs annually to stay competitive.
- Exploring stylish designs to attract more customers.
- Collaborating with emerging sports entities globally.
- Establishing sports academies for enhanced brand recognition.

Threats:

- Intensified competition from brands offering wider varieties.
- Competition from brands with lower-cost products.
- Risk of brand image damage from pirated goods.

DECATHLON SWOT ANALYSIS**Strengths:**

- Global presence with 800 stores worldwide.
- Dominates domestic market as largest sporting goods reseller.
- Offers affordable sportswear catering to diverse segments.
- Utilizes private label brands for brand recognition.

Weaknesses:

- Limited international presence compared to competitors.
- Limited e-commerce presence despite industry trends.

Opportunities:

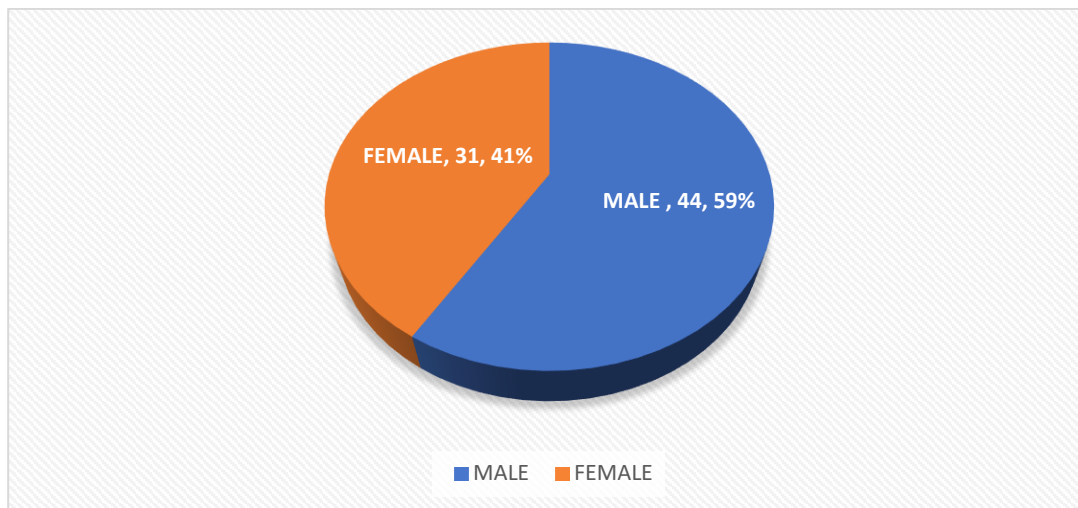
- Partner with emerging sports entities for brand recognition.
- Innovate technologically for new products.
- Utilize advertising media for increased brand awareness.

Threats:

- High inflation limits cost advantages.
- Intense competition from global and domestic players.
- Threats from lower-priced competitors.

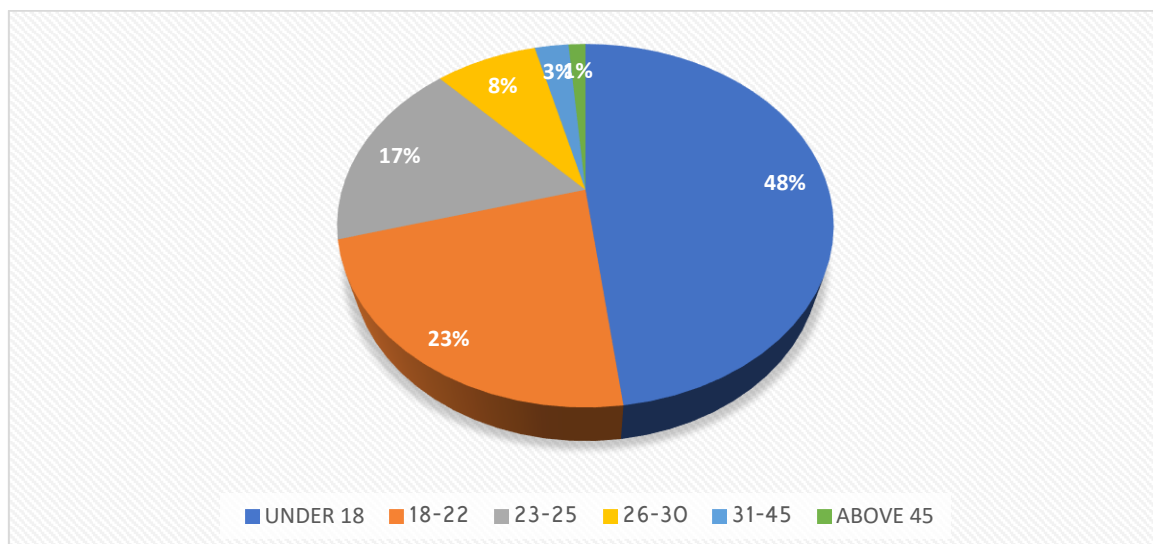
DATA ANALYSIS AND INTERPRETATION

1. Gender Distribution



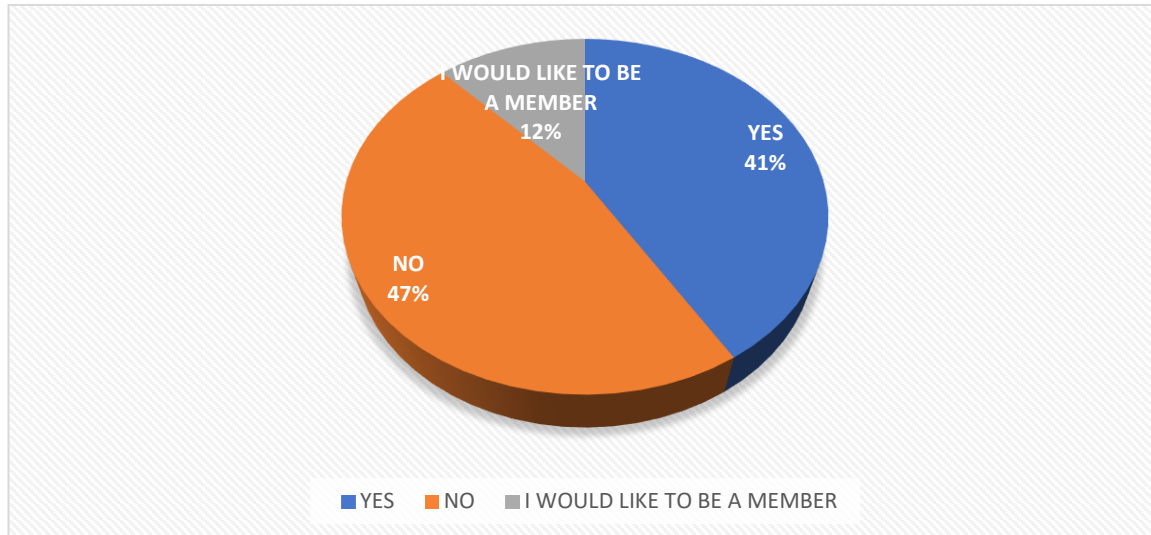
The majority of respondents are male, with 44 out of 75 responses indicating male, while 31 out of 75 responses indicate female.

1. Age Distribution



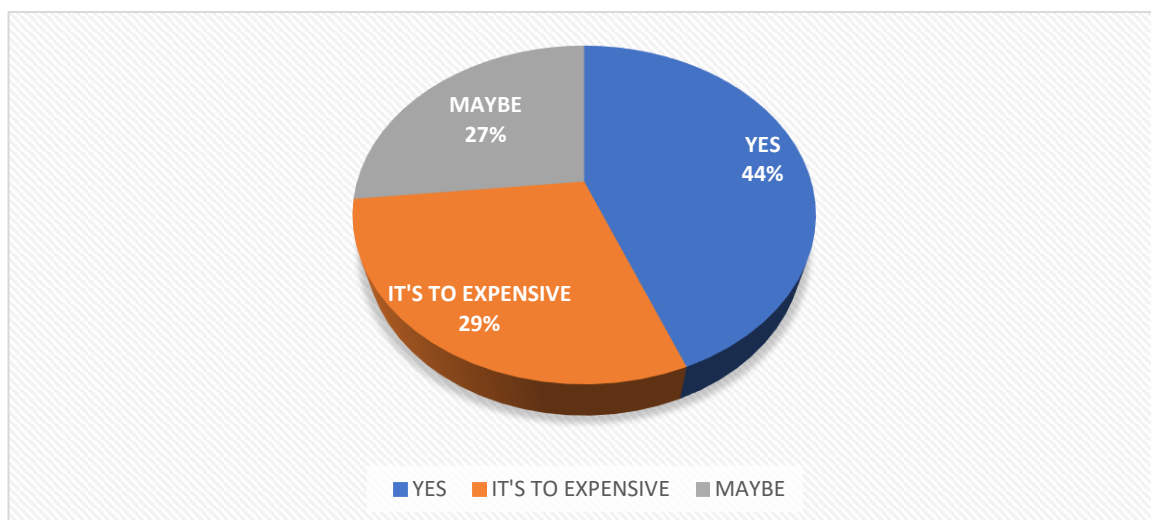
The age group 23-25 has the highest number of responses, followed by 26-30. This suggests that the survey respondents are primarily young adults.

2. Membership in Sports, Gym, or Health Clubs



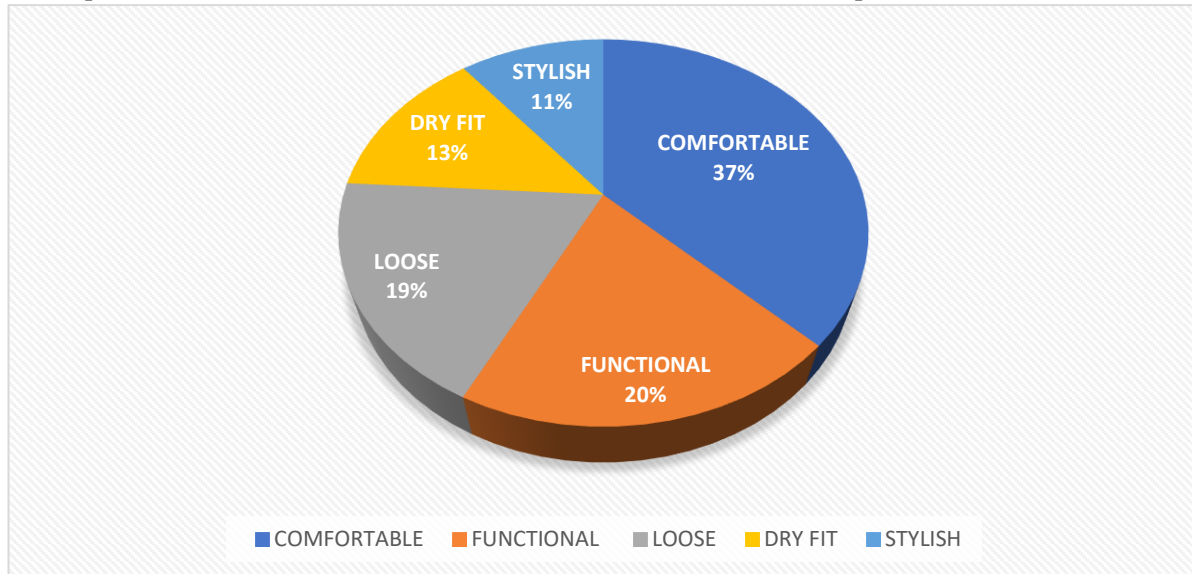
It's almost evenly split between those who are members and those who are not, with a slight majority indicating membership.

3. Wearing Specific Sports Garments



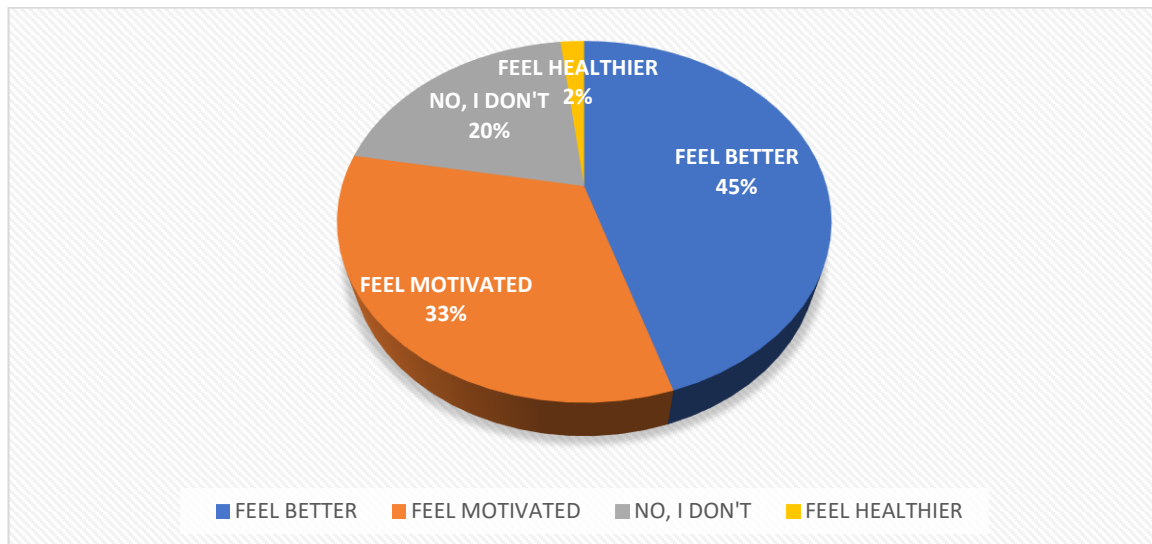
A significant portion of respondents (33 out of 75) wear specific sports garments for particular sports, while a notable number find them too expensive (22 out of 75).

4. Description of Sports Clothing



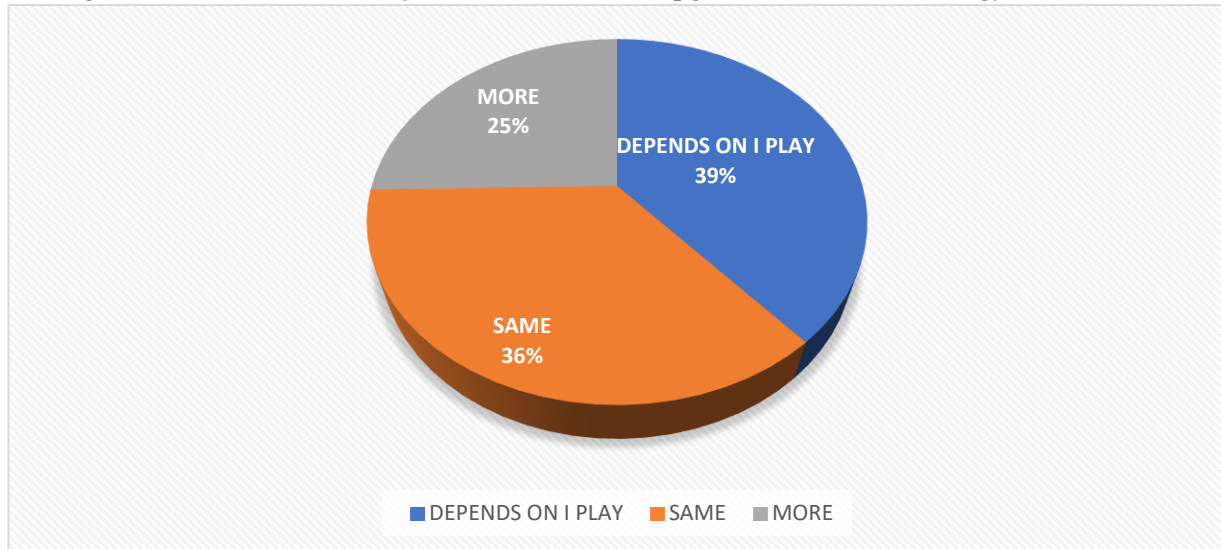
The most common descriptions of sports clothing are comfortable, functional, and loose, indicating that practicality and comfort are valued over style.

5. Perceived Impact of Sports Clothing



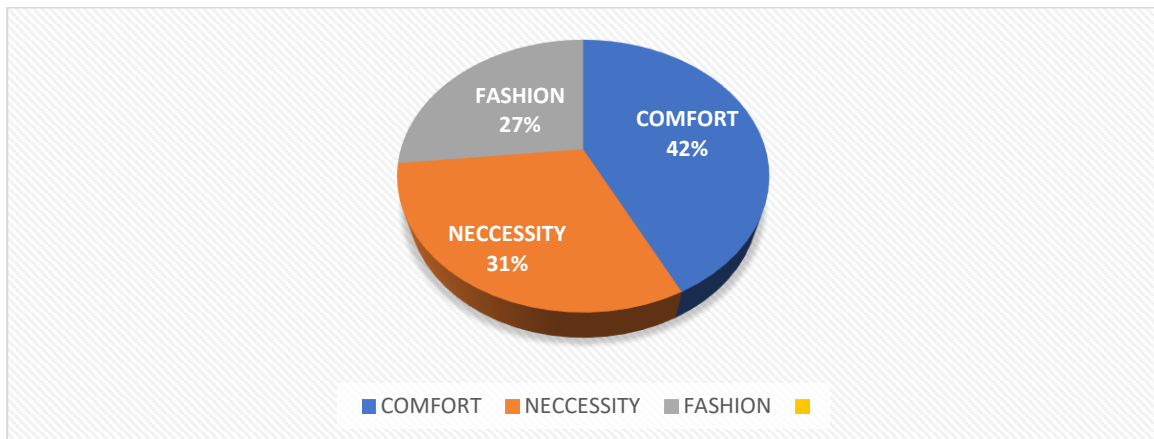
A majority of respondents feel better and more comfortable or motivated when wearing particular sportswear while playing sports, with fewer respondents indicating they don't feel any difference.

6. Willingness to Pay for Upgraded Technology and Comfort



Respondents are split between being prepared to pay more, sticking to the same price, or depending on how intensive their play is. This suggests that while some value technological advancements and comfort enough to pay more, others are more price-sensitive.

7. Reasons for Buying Clothes Outside of Exercise



The majority of respondents buy clothes for comfort, followed by necessity and fashion. This indicates that practicality and functionality are important factors in purchasing decisions, even outside of sports activities.

ALL THE ABOVE RESPONSES TRUE AND GENUINE.

LIMITATIONS

1. **Time Constraint:** The operational period of the project didn't align with the promotional schemes and offers of the store under study. This means that the duration of the project did not coincide with the promotional timelines or campaigns of the store being analysed. For example, if the project was conducted over a shorter timeframe than the duration of the store's promotional activities, it might have limited the researcher's ability to accurately assess the impact of those promotions on consumer behaviour or sales performance.
2. **Confidentiality Issues:** Certain information deemed confidential by the authorities prevented access to critical data and information necessary for the project's improvement. This suggests that there were restrictions or limitations imposed on accessing certain data or information, possibly due to privacy concerns, legal restrictions, or proprietary reasons. As a result, the researcher may have faced challenges in obtaining a comprehensive understanding of the factors influencing the project.
3. **Limited Financial Analysis:** The project focused solely on marketing and merchandising elements and did not delve into financial aspects such as ROI (Return on Investment), Inventory Turns, or Return per Square Foot. This indicates that the project prioritized certain aspects of retailing, such as promotional strategies and product placement, over financial performance metrics. While marketing and merchandising are important components of retail operations, a comprehensive analysis typically includes financial metrics to evaluate the profitability and efficiency of the business. The absence of financial analysis may limit the project's ability to provide a holistic view of the store's performance and potential areas for improvement.

CONCLUSION AND RECOMMENDATIONS

Given the paramount importance of customer satisfaction, it is imperative to analyse market trends and study consumer behaviour within the evolving market landscape.

Market analysis involves identifying deficiencies in quality, price, style, fabric, and technological requirements in sportswear. The sports retail industry in India is rapidly growing, and similar retail industry principles apply to sportswear. During the project duration, the following activities were undertaken:

1. Analysis of fast-moving sports apparel by family/department following extensive research.
2. Identification of merchandise absent in the Indian market but offered by Decathlon, such as Padded Bib Shorts for Cycling.
3. Conducting consumer mind mapping to ascertain the desired quality, technical specifications, price range, and designs in garments.
4. Store forecasting for Autumn-Winter 2023-24.
5. Understanding the breadth and depth of assortment in terms of major items, quality, styles, colours, sizes, and stocked brands.
6. Compiling a list of issues requiring resolution to effectively compete with competitors.

Here are revised versions of the recommendations:

Positioning:

- Ensure the store's tagline is clear and easily recognizable, facilitating quick association with the brand.
- Employ television advertisements along with other channels like Facebook or pamphlets to boost awareness and visibility.
- Collaborate with celebrities for brand endorsements to generate interest among the target audience and establish a trendy image.
- Introduce loyalty programs for new stores to encourage customer retention and engagement.

Visual Merchandising:

- Strategically position and utilize mannequins for impactful visual displays.
- Organize merchandise following logical planograms to enhance customer convenience.
- Arrange products at lower heights for easier access.
- Maintain a minimum aisle space of 6 feet between segments to ensure smooth customer flow.
- Provide comfortable seating options for customers.
- Ensure accurate signage throughout the store.
- Ensure each segment has a minimum of 5 spacious trial rooms available for customer use.

Product Recommendations:

- Identify and replenish fast-moving sizes promptly.
- Offer a diverse range of styles and comfortable options for various sportswear needs.
- Maintain high standards of quality and cleanliness in merchandise presentation.
- Incorporate trendy colors, including neon shades, into sportswear options.
- Group and highlight new offerings for effective display.

Price Strategies:

- Minimize price gaps to offer options across various price points.
- Ensure merchandise covers a wide range of price points to cater to different customer segments.
- Set pricing intervals not exceeding one hundred rupees.
- Employ psychological pricing strategies, such as pricing items at Rs. 499 instead of Rs. 500 or Rs. 1999 instead of Rs. 2000.

Promotional Tactics:

- Utilize print media, hoardings, and TV/radio advertisements in the promotional mix.
- Tailor merchandise offerings to regional festivals and demographics to capitalize on festive moods.
- Implement theme-based offers like Diwali and Holi festivities.
- Maintain visually appealing merchandising during end-of-season sales.

People Recommendations:

- Conduct regular training sessions for customer service associates (CSAs) on upcoming merchandise to equip them with relevant knowledge.
- Provide customer service training for CSAs to understand and effectively address customer needs.
- Emphasize "CUSTOMER SATISFACTION" as the primary goal for CSAs.
- Implement incentive or bonus schemes for CSAs to enhance motivation and boost performance.

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