

## **SWOT Analysis: DICK'S Sporting Goods**

### **Strengths**

#### **Dominant Market Position**

DICK'S Sporting Goods is the largest sporting goods retailer in the United States. According to their 2024 annual report, they generated approximately \$13 billion to \$14 billion in revenue. The market is highly fragmented, with competitors such as REI, Nike and Academy Sports + Outdoors each controlling significantly smaller shares. This is an advantage because no single competitor holds a comparable position, allowing DICK'S to dictate terms that competitors must follow, such as pricing and customer expectations. Smaller retailers do not have the same ability to demand early access from large brands like Nike or the funds to build large experiential locations, allowing DICK'S to capitalize on its position by widening the gap over time.

#### **Diverse Brand Portfolio**

The company serves multiple consumer segments through a portfolio of distinct retail banners, including DICK'S Sporting Goods, Public Lands, Golf Galaxy and House of Sport. The 2025 acquisition of Foot Locker expanded this portfolio by absorbing a major competitor and adding banners such as Foot Locker, Kids Foot Locker, Champs Sports, WSS and atmos. This acquisition also expanded access to the youth and sneaker culture markets, where DICK'S was not previously a leading player. The wide range of this portfolio means the company is not reliant on any single consumer segment or revenue stream. If one category underperforms, others can offset the impact and protect the company from downturns.

## **Multichannel Infrastructure**

DICK'S Sporting Goods has developed a robust infrastructure that connects its e-commerce platform, mobile app and physical locations into a single seamless channel. The e-commerce platform serves as a discovery tool, allowing customers to browse products and check real-time inventory at nearby stores. The mobile app acts as the connector, integrating browsing, purchasing and exclusive access perks, such as select products available first through the app and real-time notifications. The physical locations serve as immersive brand experiences where customers can engage in interactive activities, such as golf simulators. This integration increases efficiency and sales across channels by ensuring a consistent customer experience across all entry points. DICK'S also collects extensive first-party data across its digital platforms, including IP addresses, search behavior and purchase history, which enables more personalized targeting and stronger messaging across the ecosystem.

## **Weaknesses**

### **High Reliance on International Sourcing**

DICK'S Sporting Goods is heavily reliant on imported apparel and footwear, with 95% to 97% of products sourced internationally, primarily from Asia, according to KBCD. The broader sporting goods industry is highly dependent on overseas manufacturing, specifically in China, due to lower labor costs. This reliance limits their control over costs and supply chain stability. When tariffs rise or shipping routes are disrupted, DICK'S has less flexibility than competitors that rely more on domestic supply chains. The dependence also creates a speed disadvantage: long international lead times make it harder to react quickly to emerging consumer trends or restock popular inventory. Competitors with diverse or domestic sourcing can protect their margins and

product availability, while DICK'S has less control over pricing due to its exposure to external factors.

### **Limited International Capabilities**

DICK'S Sporting Goods is currently facing international performance challenges, particularly after its acquisition of Foot Locker. Foot Locker operates around 700 international locations, but DICK'S has historically been an exclusively domestic retailer with no prior experience managing overseas operations. According to SGI Europe, Locker's underperformance has been concentrated in Europe, and the 10.2% decline in overseas sales within Foot Locker's international segment emphasizes the extent of the problem. There is a clear gap between the company's capabilities and the demands of international markets. DICK'S lacks brand recognition outside the United States, has limited ability to cater products to specific regional trends and cannot simply apply its U.S.-based pricing and strategies in foreign markets. Poor international performance can offset the strong domestic results and reduce overall profit margins.

### **High Dependency on Third-Party Vendors**

DICK'S Sporting Goods relies heavily on key suppliers such as Nike, Adidas and Under Armour to drive customer traffic and sales. As of 2024, Nike accounted for 24% of the company's total merchandise purchases according to Yahoo Finance. These vendors are increasingly investing in their own direct-to-consumer strategies, including e-commerce platforms and exclusive product releases through owned channels. The level of dependency gives suppliers greater bargaining power, limiting DICK'S ability to negotiate on pricing and protect margins. The products these vendors offer are must-have brands, meaning customer demand is often tied to

the specific brand rather than to DICK'S as a retailer. When vendors expand their own sales channels, they reduce their reliance on third-party retailers, allowing customers to bypass DICK'S altogether by going directly to the source.

## **Opportunities**

### **Global Expansion of American Football**

The NFL's international footprint is accelerating rapidly. According to USA Today, the NFL has nine international games on its 2026 schedule reflecting a sustained push to grow the sport's global fan base. This expansion is generating a growing international consumer segment for American football apparel, equipment and licensed fan merchandise. This represents a shift in global sports culture, creating new demand for products that DICK'S already carries domestically. The Foot Locker acquisition provides an immediate international retail network that could serve as distribution points for NFL merchandise in international markets. DICK'S also already carries a full range of football apparel and licensed merchandise, positioning it well for this opportunity.

### **Growth of Women-Focused Athletic Self-Care**

A growing intersection between women's athletics and personal care is emerging as a distinct consumer trend. Female athletes are increasingly seeking performance-based skincare, sweat-resistant cosmetics and products designed specifically for active lifestyles. Social media trends, particularly "get ready with me" content, are amplifying how athletes integrate makeup and self-care routines with their training and competition. This matters because it reflects a shift in how female consumers define athletic identity, blending self-expression with performance in

ways that create demand for new products. Rather than traditional cosmetics, this trend centers on function-driven products that align naturally with DICK'S positioning, not that of a beauty retailer. DICK'S already serves female athletes through its women's apparel and footwear categories and has an influencer network (DICK'S Varsity) that it could leverage to produce social media content around this trend.

### **Rising Popularity of Motorsports in the United States**

Formula 1 is one of the most popular annual sports series globally, averaging 70 to 80 million television viewers per race weekend and rapidly expanding its popularity in the United States, where it now has 52 million fans. The sport's growth in the U.S. is driven by younger demographics who engage heavily with motorsport content on social media and are drawn to experiential, shareable in-person events. That growth is expanding what consumers consider sporting entertainment and creating interest in motorsport-themed experiences and merchandise. The growth of F1 fandom aligns well with in-store activations such as racing simulators, which could drive foot traffic and social media engagement in ways that differentiate physical retail from e-commerce. DICK'S already has House of Sport locations and would simply need to add a new experience to its existing format to capitalize on this opportunity.

### **Youth Sports Participation Through Purpose-Driven Play**

Mattel is expanding into purpose-driven play through partnerships with organizations like Boys & Girls Clubs of America, emphasizing active play, confidence building and skill development. This reflects a broader cultural shift from unstructured play to performance-oriented youth activities, where parents are increasingly investing in products and programs that combine entertainment with athletic development. This is expanding the entry point for youth sports participation.

Intellectual property such as Hot Wheels and Barbie could be integrated into sport-themed youth products, creating a bridge between play and performance that introduces children to athletics at an earlier age. Reaching families at this stage builds long-term value. Children who are introduced to athletics through familiar brands are more likely to stay in sports, and their families are more likely to become repeat customers as those children grow and their equipment needs increase. This aligns with DICK'S capabilities, as DICK'S already operates within the youth segment and runs community initiatives, such as the Sports Matter Program, focused on sports access. DICK'S also has a loyalty program called the ScoreCard, which targets these families and builds long-term purchasing relationships.

## **Threats**

### **Rising Tariffs on Imported Goods**

Ongoing geopolitical tensions, particularly the U.S.-China trade conflict, have introduced significant uncertainty into the cost structure of imported goods. In April 2025, President Donald Trump announced a 34% tariff on U.S. imports from China, directly affecting the footwear and apparel categories, which together represent a significant portion of sporting goods retail inventory. Suppliers face difficulty absorbing these increased costs, which means the pressure is passed to retailers and consumers. Tariffs increase the cost of goods sold across nearly all of DICK'S product categories, making it harder to plan inventory, manage margins and maintain competitive pricing. The unpredictability worsens the problem because DICK'S cannot anticipate costs for upcoming quarters, and excessive price increases will cause a drop in consumer demand.

### **E-Commerce Competition From Amazon**

Amazon dominates the online retail space through a combination of lower prices, fast delivery through Prime and an extensive product selection that spans practically every sporting goods category. The platform's scale and logistics infrastructure allow it to undercut the pricing of brick-and-mortar competitors on products such as basic athletic apparel, fitness accessories and outdoor equipment. Amazon competes directly with DICK'S product offerings while providing a level of convenience and price competitiveness that physical retail cannot match on straightforward purchases. Amazon also weakens brand differentiation, because consumers who view sporting goods as interchangeable will choose the most convenient and affordable option.

### **Growth of Resale Platforms Impacting Sales**

Platforms like Depop, StockX and GOAT are rapidly growing in popularity, particularly among Gen Z consumers. These platforms specialize in limited-edition sneakers from brands such as Nike, Jordan and Yeezy, as well as vintage, rare and deadstock footwear. Consumers are increasingly turning to resale platforms to access culturally relevant products that are not available through standard retail channels. Footwear is a major revenue driver for DICK'S Sporting Goods, with the company stating in their annual reporting that it "generates robust sales growth" and is a key strategic priority. Resale platforms divert demand away from traditional retailers by capturing consumers seeking limited- or exclusive-sneaker releases and by creating an alternative marketplace operating outside the conventional retail ecosystem. As sneaker culture continues to cross over into fashion, the resale market competes directly for the same consumer purchases that would have otherwise gone to full-price retailers like DICK'S.

### **Lower Discretionary Spending**

Economic uncertainty driven by inflation, high interest rates and a potential recession is reducing consumer willingness to spend on discretionary goods. Sporting goods, including athletic apparel, footwear and equipment, are not essential purchases, and consumers with tighter budgets typically delay or downgrade these purchases first. DICK'S Sporting Goods depends on consumer discretionary spending across its core categories. Consumer price sensitivity puts pressure on DICK'S by pushing shoppers toward value-oriented competitors such as TJ Maxx.

### **Strategic Insights**

#### **Expand Experiential Retail With Motorsport Activations**

Rationale: The rising popularity of Formula 1 in the United States creates a demand for motorsport-themed experiences. Integrating F1-inspired activations such as racing simulators into House of Sport locations builds on the company's existing experiential retail strength. It also directly counters threats from Amazon's e-commerce dominance and resale platforms by offering in-store experiences that cannot be replicated online. Motorsport activations also drive social media-generated content, extending the brand's reach beyond the physical store.

Success Metrics:

- Generate a measurable increase in social media impressions tied to in-store F1 content compared with non-activated locations
- Achieve a higher average time spent in store at F1 experience-based stores vs. the House of Sport average

#### **Leverage NFL Global Expansion to Drive International Growth**

Rationale: The NFL's accelerating international expansion creates growing demand for American football merchandise in overseas markets. Partnering with the NFL addresses the company's limited international capabilities by giving the Foot Locker international store network a purpose-driven product category to anchor around. Rather than trying to export the DICK'S brand identity broadly, this approach uses a specific, high-demand product vertical to build relevance in European and international markets where the NFL is actively growing its fan base.

Success Metrics:

- Grow international segment revenue year over year following NFL activation launch
- Secure NFL merchandise distribution across a minimum of 50 Foot Locker international locations within the first year

### **Diversify Sourcing to Reduce Tariff Exposure**

Rationale: The company's high reliance on international sourcing is directly impacted by the threat of rising tariffs on imported goods. Expanding domestic production partnerships and stocking more U.S.-made brands reduces the percentage of inventory affected by tariffs and reduces delays. This approach also creates a marketing opportunity, as domestically produced products can be positioned as a differentiator for consumers who value American-made goods, aligning with the brand's roots as an American sporting goods retailer.

Success Metrics:

- Increase the share of U.S.-made products to at least 10% of total merchandise within two years