

A Comparative Study of Global Sneakers Market

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Submitted: 25-02-2021

Revised: 05-03-2021

Accepted: 10-03-2021

INTRODUCTION

In 2019 the global sneaker market was valued at \$62 billion and it is estimated to grow at 7% by the year 2024, in view of growing interest of the younger generation in fitness and fashion.

Today the 'sneaker culture' is mass friendly and therefore being used for daily wear. The rising flexibility and convince of E-Commerce and other sales channels is also contributing in the growing popularity of the sneaker market. The shoe business is dependent on star athletes and celebrities for the sale of the product and allowing the culture to expand globally as they are able to leverage a huge fanbase and draw attention to the style.

Sneakers have always been a part of the American culture and as the country is moving towards a more casual lifestyle, sneakers have successfully presented themselves as the most trending commodity in today's generation, on the account of the increasing fashion consciousness among adults the sneaker market has marked a market dominance which is likely to continue in the following years.

This report will study the US sneaker market in comparison with the UK, South Korean, and German sneaker market in the past three years in support with relevant statics including revenue, sales growth, price. The following will also attempt to understand the impact of the ongoing pandemic on the market and expectation in the near future.

American Sneaker Market

The United States has the largest sneaker market in the world with an estimate of \$20,088 million in revenue in 2020 and dominated the market with 30% revenue shares. Their market is expected to grow at CAGR 5.4% by 2025.

Ain 2020 the average price of a pair of sneakers is \$53.04, which increased by 1.64 in the past three years.

Additionally, only 19% of total revenue is generated through online sales in 2020.

United Sates is expected to manufacture a volume of 548.2 million pairs of sneakers by 2025 and show a volume growth of 7.3% in 2021 and an average growth at 4.5% in the past 3 years.

Sneaker Market in UK

The UK sneaker market generates \$3,890 million in revenue. The market is expected to grow at CAGR 3.9% by 2025 and volume expected to amount to 84.6 million pair of sneakers by 2025.

The average price of a pair of sneaker is estimated at \$56.42, which increased by \$3.21 in the past three years.

In sneaker market 37% of total market revenue is generated through online sales in 2020

Sneaker Market in South Korea

The revenue generated by sneaker market in South Korea, is estimates at \$872.6million in 2020. The market is expected to grow at CAGR 3.5% by 2025.

The average price of a pair of sneaker is estimated at \$58.81 in 2020, which dropped by \$1.4 in the past three years.

With an expected amount of 18.5 million pairs of sneakers manufactured by 2025.

Additionally 57% of total market revenue is generated through online sales.

Sneaker Market in Germany

The German footwear market generated \$2,286.2 million in revenue in 2020. The market is expected to grow at CAGR 4.8% by 2025.

The average price per unit, in the segment of footwear amount to only \$64.64 in 2020 and is expected to manufacture a volume of 57.2 million pairs.

In footwear market, 30% of the sales revenue generated by the sneaker markets was through online sales in 2020.

The Key Market Indicators cause the difference in the social and economic outlook between the countries and provide additional insights into sneaker market-specific developments.

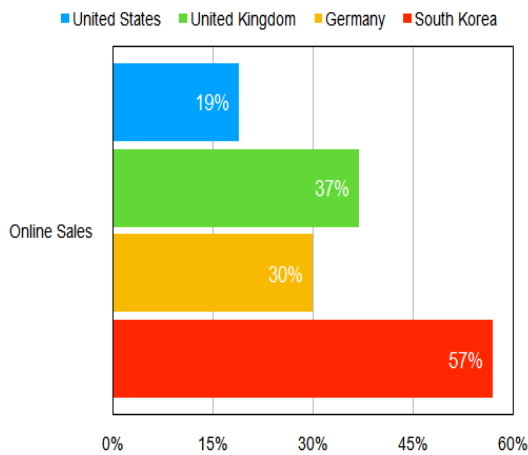


Fig 1: Sales made through online channel

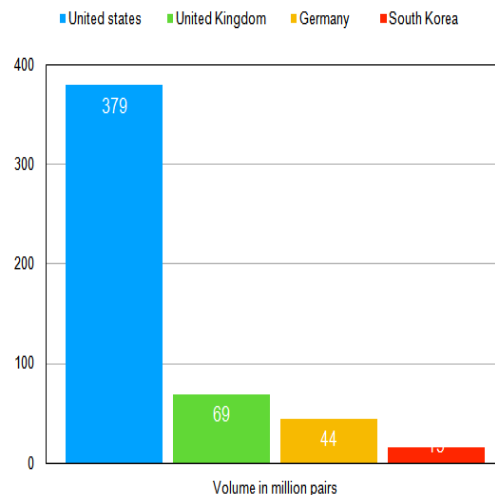


Fig 4: Average price per pair of sneaker

Fig 5: Number of sneakers manufactured

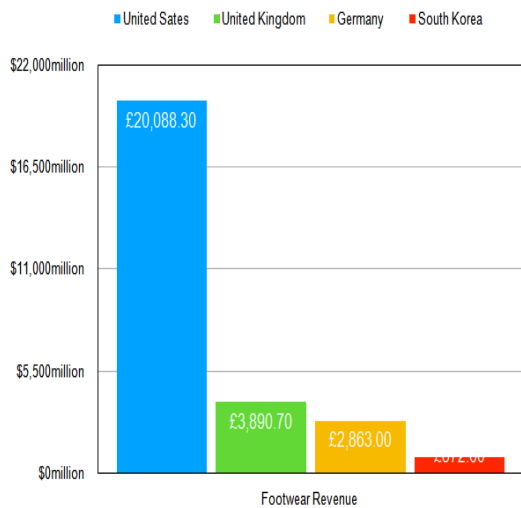


Fig 2: Revenue generated in 2020

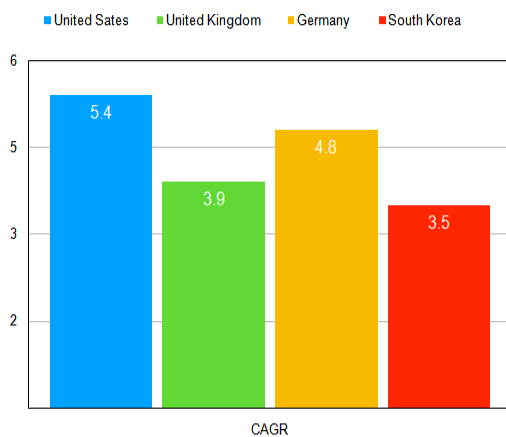


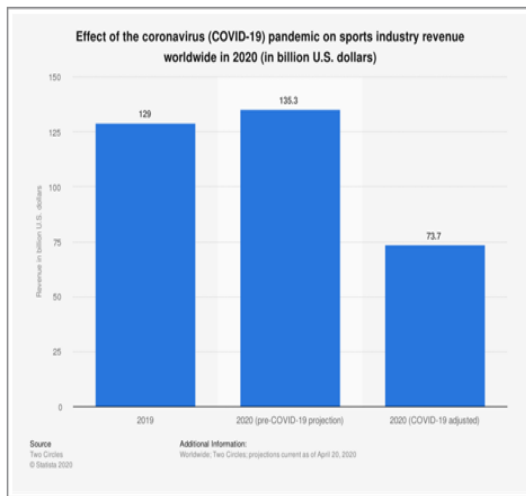
Fig 3: CAGR in percentage

In accordance with the above graphs it can be noted that US has the largest sneaker market, therefore, manufactures the largest volume of pairs as well as generates more revenue it comparison to the sneaker market in UK, Germany and South Korea.

Supply and demand are significant aspects to consider, there are various variables which effect the supply of the sneakers such as introduction of new technologies which provides competitive edge for a business. In this specific market it is important to notice customer trends in the demand sector, as per the graph South Korea has seen an cease in online sales by 57% compared to only 19% in America this can be due to the absence of retail stores or brands in Asia. Online Sales Channels contribute towards globalisation. In future, companies can take note that opening stores in South Korea can be profitable and therefore expand their customer base.

Impact of the Pandemic on Sneaker Market

We are able to study the impact of Covid-19 on sneaker market by noting the revenue loss in the sports industry worldwide.



From the above graph it can be noted that the pandemic significantly affected the sports industry since various public sporting activities have been cancelled.

Due to the ongoing pandemic, the resale value of sneakers saw a dip and dropped even lower than original prices. Moreover, suppliers are struggling to manage their stock and inventions, many offline retail stores are attempting to dilute primary market through their discount schemes. The above given graph demonstrates the “Revenue Growth” box which shows the year-over-year revenue development of the sneaker market in percentage terms. This signifies the loss in revenue, the growth curve dropped by 6.1% from 2019 to 2020.



In conclusion, many large companies will over time cope with the challenges that business are facing due to the pandemic, however, there is

negative impact on the sneaker market size in 2020 as SME’s are struggling to sustain their businesses.

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