

# Activewear

## Is it going to thrive in 2021?



It seems like everyone is trying to dip their toe into the activewear game — and there are plenty of good reasons to make that move. Allied Market research estimates that activewear market value will reach \$547 bn by 2024.

Likewise, Euromonitor expects activewear sales to grow by 6,5 percent in 2021. Getting in on this kind of continuous growth is a hot opportunity for brands. However, activewear is a fairly comprehensive market, and although it's still growing, it appears that supply has outpaced demand. Activewear is a highly saturated market, with little differentiation in terms of products.

One of the elements that differentiate the collections from one another is the tech used and the marketing behind them. Sportswear giants Nike and Adidas are a good example. Adding to their marketing strategies, other opportunities tackled by the sportswear giants are investments in sustainable activewear and plus-size market and pregnancy segment. Finding the right message of differentiation is essential, especially in the activewear market.

**A question arises: Is it worth investing in this department for existing fashion brands?**

### **New players entered the market in 2020**

Surfing on the home-workout trend and touting the “healthy mind, healthy body” mantra, many retailers launched their activewear collections in the middle of the pandemic. It wasn't just lingerie brands like Intimissimi or Thinx period underwear jumping on the bandwagon. For instance, mass-market brands like Mango and & Other Stories also took advantage of this opportunity.

Those two brands are good examples of fashion brands expanding their collections to fit current fads. Both labels launched their collections in mid-late 2020.

Also, the share of assortment might seem low, but it is relatively high compared with H&M, which has offered a sports collection for a while. In comparison, Oysho's brand positioning has given it the highest assortment share.

### **More sportswear in the new-ins**

Mango and & Other Stories have continued to bump up their activewear offerings since launching. Both retailers have even increased their activewear new arrivals compared with their general collections.

By contrast, Oysho and H&M have maintained more or less the same new-arrivals level for their activewear and general collections. It shows that brands aren't putting less emphasis on their general collections despite the current activewear fad.

The bottom line? Activewear new arrivals saw more significant growth in assortment percentage than did the general collections.

### **Is activewear for fashion brands a successful bet?**

According to Retviews data, we see that the new players in the game have a relatively low share of out-of-stock articles. In comparison, H&M and Oysho have a similar level for their activewear collections and their general collections.

Besides, there are several reasons for this level of out-of-stock. It can either be a result of a stellar job and great intuition on the part of the brands' buying team or, it could be that there is still a high level of stock not selling.

Only retailers have access to their stock speed level or stock turnover, but one question stands out: Was it a smart move to create a sports division in an already-saturated market?

### **Creating a new collection, yes. But with innovation and differentiation**

The activewear industry is appealing for its profit possibilities — but it's also highly competitive and fragmented. All segments, from mass-market giants to premium brands, compete for market share with low differentiation.

Moreover, new and existing fashion retailers need to offer fresh ideas, innovation, and new trends to survive and thrive against the competition. For instance, investing in sustainable activewear or plus-size market and pregnancy segment.

In the end, the activewear-collection gamble seems to be worth it since it's a big trend — and it doesn't seem to be going anywhere anytime soon.

However, this warrants careful consideration. Companies should define whether it is worth investing in this new department rather than curating existing assortments to optimize retailers' collections and get the best out of their brands ■