SWOT ANALYSIS

Strengths:

- **High brand awareness & loyalty:** In the United States, 88% of sports and outdoors online shoppers are aware of DICK'S Sporting Goods (Statista). Additionally, 76% of their customers demonstrate loyalty to the brand, reflecting not only high national awareness but also strong customer satisfaction. Customers are encouraged to spend over $500 through the Scorecard loyalty program to earn exclusive discounts and benefits; this program comprises over 8 million members and accounts for 50% of the company's sales (WSJ). Strong customer awareness and loyalty have a high impact on revenue, contributing to the company's long-term success and growth.
- **Leader in the youth sports market:** Families of young athletes benefit from the convenience of DICK'S expansive product inventory. GameChanger, a stat-keeping app owned by DICK'S, generates nearly $150 million annually from subscription costs, primarily driven by its use in youth sports. Youth sports is a growing market, contributing to the company's current financial success while also introducing DICK'S as a reliable brand to Gen Alpha athletes, who will eventually hold purchasing power.
- **Experiential retail driving foot traffic:** DICK'S House of Sport locations blend retail with activity, ending Q3 2025 with 25 locations offering immersive putting greens, rock walls, batting cages, and other sports attractions. House of Sport encourages increased spending, incentivizes time spent in-store, and strengthens brand loyalty through differentiated experiences compared to competitors (CNBC).
- **Financial growth & global expansion:** DICK'S Sporting Goods reported $6.23 billion in revenue in Q4 2025 (Yahoo Finance), following the acquisition of Foot Locker in September (Foot Locker). The deal added Foot Locker's portfolio of brands, including approximately 2,400

retail stores across 20 countries, expanding DICK'S global presence, increasing customer reach, and enhancing cultural relevance through a well-known sneaker brand.

Weaknesses:

- **Low social media engagement:** Despite social-first initiatives like Varsity Team and over 1.3 million combined followers across Instagram and TikTok, posts consistently underperform, often receiving fewer than 10K views and 100 likes per post. Low engagement decreases brand visibility among Gen Z and Gen Alpha, reducing opportunities for brand promotion and customer loyalty.
- **Foot Locker portfolio revenue:** As DICK'S integrates Foot Locker, a business that has been declining in recent years, the company expects to incur pre-tax charges of $500 million to $700 million related to the acquisition, inventory clearance, and store closures (Fox Business). For the acquisition to be profitable, these costs, along with the $2.4 billion purchase price, must be offset by future revenue.
- **Low awareness of sustainability initiatives:** Many current and potential customers are unaware of the partnership between DICK'S Sporting Goods and SidelineSwap, where customers can exchange lightly used athletic equipment for a gift card. Despite the program's role in improving access to sports gear and promoting sustainability through the circular economy, it is not top of mind for DICK'S shoppers. This is damaging because it limits the program's effectiveness and its positive impact on brand perception.
- **Low relevance among Gen Z:** The company's core audience is millennials aged 25–40, comprising 45% of customers (Porters). Gen Z consumers account for only 20% of DICK'S shoppers (Porters). The brand is often perceived as outdated and lacking innovation among this group, which is particularly concerning as Gen Z enters the workforce and becomes the next generation of primary consumers and parents.

Opportunities:

- **Growing interest in live experiences:** Consumers, particularly Gen Z, are prioritizing live experiences such as sporting events and music festivals over material goods (AdAge). The U.S. live sports market is projected to grow at a CAGR of 5.4% through 2029 (Mintel), while the global music festival market is expected to grow at a CAGR of 23.16% by 2035 (Econ Market Research). This presents a strong opportunity for DICK'S, given the visibility of live events and the fact that 70% of consumers purchase merchandise to commemorate these experiences (Forbes).
- **Sneaker culture's growing popularity among Gen Z:** In 2026, the global sneaker market is valued at $96.37 billion and is projected to grow at a CAGR of 4.97% from 2026–2030 (Statista). The scarcity of limited sneaker releases, known as "drops," generates significant social media buzz (ThirdChannel). With DICK'S Sporting Goods' acquisition of Foot Locker's catalog, there is a clear opportunity to attract Gen Z consumers by leveraging sneaker culture.
- **Pop-up marketing to drive social media engagement among Gen Z:** Brands are increasingly using limited-time mobile pop-up activations to engage Gen Z, generating millions of impressions through user-generated content and creating FOMO. Pop-up activations across industries such as food, beauty, and entertainment yield an average ROI of 35–40% in sales, while also strengthening brand perception and cultural relevance (Vertical Edge). This presents an opportunity for DICK'S Sporting Goods to participate in pop-up culture, improve social media engagement, and shift its outdated brand perception.

Threats:

- Competition from culturally relevant direct-to-consumer sneaker brands: Nike (including Jordan) and Adidas hold 38% of the sneaker market share (Statista). Nike alone is the preferred footwear brand for 61% of teenagers (Business Insider). Strong brand loyalty and the growth of online purchasing put Foot Locker's in-store retail model at risk.
- **Gen Z's growing preference for niche markets:** Gen Z prioritizes brands with strong identities and community affiliation, such as those rooted in skate and surf culture, driving higher growth in

niche segments (SGB). Competitors like Epic Sports and Proof Lab are attracting Gen Z by focusing on specialized markets. Additionally, sneaker resale platforms reinforce this trend, making it more difficult for DICK'S to appeal to Gen Z consumers who value authenticity and cultural alignment.

- **Economic hardship and cutback on non-essential spending:** U.S. consumers are reducing retail spending, with nationwide retail sales falling 0.2% in January 2026 (OPB). Ongoing economic uncertainty is leading consumers to cut back on discretionary purchases, including athletic gear and equipment, posing a risk to DICK'S revenue and financial growth.