

## SWOT Analysis

### Internal

#### Strengths

- Market position and financial performance:
  - DICK'S is the leading full-line sporting goods retailer in the U.S., with strong brand recognition across team sports, fitness, and outdoor categories. That scale really works in their favor, giving them better pricing power, stronger relationships with major brands, and a more efficient distribution network, making it harder for smaller competitors to keep up.
  - DICK'S reported \$17.215 billion in FY25 net sales and expects between \$22.1 and \$22.4 billion for FY26. That kind of steady growth allows DICK'S to continue investing in overall expansion while still delivering value to shareholders.
- Strong omnichannel presence:
  - DICK'S has successfully connected its stores, website, and mobile app into one seamless experience. Many online orders are fulfilled through stores, which makes things faster and more efficient for customers. Their digital presence is also strong, with the DICK'S app ranking #3 in the App Store in March 2026 after gaining traction through features that reward users for hitting 10K steps or 30 minutes of daily activity. GameChanger is leading the youth sports app category. This shows how well they're meeting customers wherever they prefer to shop.
- Expanding retail and brand portfolio:
  - Growing portfolio of private-label brands like CALIA, DSG, and VRST, which not only deliver higher margins but also help differentiate them from competitors.
  - The acquisition of Foot Locker added over 2,300 stores to its retail network.
- Experiential and specialty store concepts:

- DICK'S is moving beyond traditional retail by creating more immersive, experience-driven stores like House of Sport and Golf Galaxy. These locations give customers a reason to spend more time in-store and typically drive higher sales. DICK'S plans to reach 100 House of Sport locations by the end of its fiscal year 2027.

### **Weaknesses**

- Dependence on suppliers:
  - DICK'S relies heavily on big brands, like Nike, for a large portion of its inventory. That poses some risk, especially as these brands continue to expand their direct-to-consumer channels. If those relationships shift, it could limit DICK'S access to key products and make it harder to stand out.
- Rising operational costs:
  - Costs are increasing across the board, from wages to technology to building out experiential store formats. While these investments are important for long-term growth, they can put pressure on margins if sales don't keep pace.
- Integration challenges from Foot Locker acquisition:
  - The Foot Locker acquisition brings many opportunities but also some complexity. Things like closing or restructuring stores, integrating systems, and aligning company cultures can require time and money and may create short-term inefficiencies if not handled carefully.
- Sustainability is not a core differentiator:
  - While DICK'S has made efforts in sustainability, it is not a core part of the brand or a clear point of differentiation from competitors. As more Gen Z consumers prioritize sustainability in their purchasing decisions, this becomes a missed opportunity, leaving sustainability as more of a supporting factor rather than a true competitive advantage.
- "Outdated" Gen Z Brand Perception:

- While DICK'S has made progress with younger consumers, it still isn't the first place many Gen Z shoppers think of when buying sporting goods. Part of that stems from the brand not feeling as culturally connected or relevant as some of its competitors. This is a significant weakness because Gen Z is becoming a bigger share of overall spending, and not resonating with them now can impact long-term growth.

## **External**

### **Opportunities**

- Growth in e-commerce and mobile shopping:
  - Online and mobile shopping for sporting goods and apparel continues to grow, giving retailers with strong omni-channel experiences a real advantage in capturing more customers. DICK'S is well-positioned to capture increased digital demand and convert it into seamless in-store fulfillment and engagement.
- Shift toward experiential retail:
  - In categories like sports and fitness, brands that have immersive, interactive in-store experiences stand out. DICK'S continuous investment in House of Sport aligns perfectly with this shift, creating opportunities to drive traffic and build brand loyalty.
- Direct competitor decline:
  - As weaker brick-and-mortar retailers, including Big 5, a direct competitor, continue to close, DICK'S has an opportunity to capture additional market share and strengthen its position as a category leader.

### **Threats**

- Tariffs and supply chain pressures:
  - Steep import taxes imposed by the current administration pose a significant threat due to the ongoing rise in the costs of imported goods and materials. Tariffs pose a direct threat to margins, as the company has to either absorb costs or pass them on to consumers, which will potentially reduce demand.

- Competitive landscape:
  - Increasing competition from mass retailers, specialty retailers, and resale platforms increases pricing pressure and makes it more difficult for DICK’S to maintain differentiation.
  - Leading brands like Nike continue to build on their direct-to-consumer strategies. This is a threat because it can limit what DICK’S is able to carry in-store, shift customer traffic to DTC, and reduce its negotiating power.
- Rapidly changing trends in sportswear and footwear:
  - The fast-paced nature of athletic and sneaker trends creates inventory risk. Misaligned product offerings can lead to markdowns and reduced profitability.

### **Strategic Insights**

#### **1. Strengthen Margin Control Through Vertical Brand Expansion.**

**Rationale:** By supporting margin and differentiation, DKS’s private label brands are a clear internal strength, while competitive pricing and vendor DTC expansion are key threats. By expanding its own brands in key categories like youth sports, training, and athleisure, and giving them stronger placement both in-store and online, DICK’S can reduce its reliance on national brands like Nike while improving differentiation and profitability.

**Key Success Metrics:**

- Increase private-label sales mix from approximately 15% to 25% of total net sales within 24 months.
- In target categories (youth sports, training, athleisure), reach 35% of sales from vertical brands within 24 months.
- Year-over-year sales growth of private label brands.

#### **2. Launch “Season Pass” Gear Subscription for Growing Youth Athletes.**

**Rationale:** Youth sports is a \$40 billion market, and DICK’S is already in a strong position within it. Parents are constantly having to replace gear as their kids grow, even when it’s still in good condition.

The gear subscription aims to solve both a pain point for families and a sustainability challenge. Offering a subscription that lets families easily size up equipment and apparel each season, DICK'S can make youth sports more convenient and affordable while also reducing waste. Instead of going unused, returned gear can be refurbished or resold, extending its life. This helps build stronger brand loyalty and positions DICK'S as a more forward-thinking, sustainability-minded brand in youth sports.

***Key Success Metrics:***

- Growth Pass subscribers as a percentage of youth households within the loyalty program (target: 10–15% within 3 years).
- Percentage of returned items successfully refurbished or resold vs. discarded (target: 70%+ recovery rate).
- Percentage of youth gear sales tied to subscription program (target: 20% within 3 years). Shows how much the Growth Pass is becoming integrated into core business performance.

**3. Leverage App to Drive Guided Commerce:**

Launch a Personalized “Athlete Journey” in the App.

***Rationale:*** The DICK'S app is already a major strength for the brand. DICK'S should continue to prioritize enhancing the user experience. By adding a section in the app where users can track their fitness goals, such as training for a 5K or planning their first backpacking trip, DICK'S can make the experience feel much more personal. Users would get personalized product suggestions and checklists that actually match what they're trying to do. If the audience feels like the app takes some of the guesswork out of figuring out what they need, it ultimately leads to increased customer loyalty, greater engagement, and higher spending as users build out everything they need.

***Key Success Metrics:***

- Number of users starting an “Athlete Journey” each month.
- Increase in average basket size and purchase frequency for users participating in a journey vs. those who are not.

- Journey completion rate and follow-on purchases in related categories (cross-selling into additional gear or apparel).

#### **4. Strengthen Cultural Relevance Through Local Athlete Activation:**

Host a Local Athlete Training Series.

**Rationale:** DICK'S already has a strong foundation in experiential retail through House of Sport, but there's an opportunity to make these spaces feel more culturally relevant and community-driven. Hosting small-group training sessions and Q&As with local trainers, college athletes, and semi-pro athletes builds on DICK'S experiential strength while making the brand feel more authentic and connected to the community. Booking through the app also strengthens engagement across its digital ecosystem and drives interest in performance categories.

#### **Key Success Metrics:**

- Number of sessions hosted per quarter and average attendance.
- Increase in sales in related categories within a defined period around events (target: +10–15%).
- Repeat attendance rate.
- Track app engagement tied to event sign-ups and follow-up purchases.