



Ultra Boost X4 running shoes from adidas, a popular choice for work and play among the audience at the athleisure debate at Intertextile Shanghai.

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As part of a wide range of discussions and seminars taking place on the show floor at Intertextile Shanghai's Functional Lab in the autumn of 2017, *World Footwear* editor, Stephen Tierney, led a debate on athleisure, the phenomenon that has led to athletic shoes (and apparel) becoming acceptable wear in many formal as well as informal settings.

The gloss comes off

The first mention of the term athleisure on *World Footwear's* news website, footwearbiz.com, came earlier than you may have imagined. The term didn't come into wide use until 2015, but our first reference to it came as long ago as September 2006. A research firm called Leisure Trends Group said then that athletic shoes had become as common in US wardrobes as denim jeans and that athleisure shoes were starting to encroach on sales of street shoes. How prophetic. At a trends presentation at the Micam footwear exhibition in Milan in 2015, forecasting agency WGSN said: "Athleisure is now a mainstream part of lifestyle fashion. This gives sports and outdoor brands scope for using fun colours and bold shapes in their collections." By early 2017, footwear industry analyst Peter Mangione was

quoting NPD Group as saying that it's wrong to refer to athleisure as a mere trend. Instead, the research group insists, athleisure represents "a fundamental shift in US lifestyles", with the implication that there will be no turning back.

Largest growth opportunity

During a debate on this subject at Intertextile Shanghai's Functional Lab event last October, the suggestion arose that things are already less clear than NPD has suggested.

If Leisure Trends Group's first direct reference to athleisure all those years ago was specific to footwear, it seems fair to wonder out loud if some recent developments in athletic footwear may be a precursor of a bigger shift in consumers' willingness to present a sporty look on all occasions. With full-year

results still some weeks from being published, it's clear that companies making and selling athletic shoes have had easier years than 2017.

Figures for the first half of 2017 from Under Armour showed that the company's overall revenues for the six-month period were up by 7.7%, reaching \$2.2 billion. Apparel sales accounted for more than half of this and increased by 9.1% to almost \$1.4 billion; Under Armour also achieved impressive growth in sales of accessories, which rose by 17.3% to \$211 million. But footwear revenues were flat compared to the same period in 2016 at just over \$500 million (and taking the second quarter of 2017 in isolation, Under Armour's footwear sales fell by 2%).

Founder Kevin Plank said immediately that he still regards footwear as Under Armour's largest opportunity for growth,

but he acknowledged that it's a fast moving marketplace, saying: "The landscape is evolving quickly. Therefore, we too must evolve quickly." To be fair to Under Armour, the Lighthouse fast-prototyping and design centre it opened in Baltimore in 2016 ought to help. With the advanced knitting, cutting, sewing, 3D printing and footwear construction technology it has installed there, the brand should be able to bring new design ideas, for apparel and for footwear, to market faster than ever before.

Tremendous disruption

On the retail side, Foot Locker presented even weaker numbers for athletic footwear sales in 2017. In the course of the first nine months of 2017, Foot Locker registered sales revenues of almost \$5.6 billion, a decrease of 1.4% compared to the same period in 2016. However, the fall in earnings from those revenues was much steeper, declining by 30% year on year to \$333 million. In his comments on these figures, Foot Locker chief executive, Richard Johnson, spoke about the "tremendous disruption" facing the athletic footwear-buying public at the moment; he added that this disruption is affecting the whole of the retail sector. This is a reference to the increasingly dominant position of online retailers over bricks-and-mortar. Shops and shopping-malls have ceased to be the main places to go to buy new products and consumers in most markets are not only becoming used to buying online instead, they are embracing the new retail reality enthusiastically.

At the centre of sneaker culture

Halfway through 2017, Amazon began selling new shoes from Nike (for whom Foot Locker has long been a key, and sometimes exclusive, retail partner) directly to the consumer. Richard Johnson said of this development that it would affect sales of "lower-price, largely undifferentiated shoes", but that Foot Locker faced no "imminent threat" from it because most of its sales of adult shoes are still more than \$100 per pair. He



Shirt, trousers and shoes from adidas originals.

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added: "Our eyes are wide open. The athletic footwear retail game has changed. The overarching issue revolves around premium product and the speed with which innovation comes to market"

After announcing Foot Locker's results for the first nine months of 2017, Mr

Johnson said the company is "creating new initiatives" with Nike and other key athletic footwear brands in an attempt to remain "at the centre of sneaker culture and, more broadly, youth culture". Nevertheless, towards the end of last year Foot Locker took the "difficult decision" to "reduce and reorganise" its staff numbers.

Sports dates and what to wear

In an interactive conclusion to the Shanghai discussion, members of the audience were able to say if they would be willing to wear a variety of athletic shoes and garments to work, to an industry exhibition, on a date or to a wedding. Products that the audience members said they would be happy to wear to work, to an exhibition and to go on a date (although weddings still appear to be occasions for more formal dress for most people) included adidas Ultra Boost X4 running shoes and the same brand's shirts, jogging trousers and Stan Smith shoes. Also on the apparel side, some younger women among the participants said they would be happy to wear a yoga top or yoga pants from Lululemon to go on a "sports date", not only because those garments would be comfortable and function well during sports activity but would also combine well with a jacket or shawl in a coffee shop or ice-cream parlour or bar afterwards. For now at least athleisure lives on but Under Armour's and Foot Locker's 2017 experience suggests that, where shoes are concerned, some of the gloss may be starting to come off. 📢



A Foot Locker store in Arizona. The athletic shoe retailer has said the traditional model for selling shoes to the public now faces "tremendous disruption" because of the ongoing rise in online shopping.

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