

Table 7
Import Penetration in Selected Segments of
the Sporting Goods Market in the U.K., 1977-1982

	(% of market value)				
	1977	1978	1979	1980	1982
Rackets	74	56	80	83	77
Tennis balls	26	12	26	24	21
Fishing rods	59	63	59	69	95
Fishing reels	79	82	81	—	93
Table tennis equipment	50	63	53	54	75
Darts and boards	11	9	2	3	3
Gymnastic and athletic equipment	20	41	47	61	68
Golf clubs	26	31	30	34	42
Golf balls	12	21	26	39	38

Source: Business Monitor

Britain is a manufacturer of many of the traditional items of sports equipment, but over the last five years has had to import many items to keep up with demand. Imports have played a strong role in this market and would be expected to do so in the future. As indicated in the following table, imports constitute an important portion of the total market.

Assuming that the next three years will see a period of continuing economic recovery, the increase in volume sales of sporting goods could range from 15 to 30 per cent. Particularly strong growth is expected in the indoor racket sports (badminton, squash) and snooker. As retail outlet costs increase, the importer/distributor has been able to provide a low cost warehousing operation. There has been a tendency for the importer/distributor to stock only those products known to be easily saleable, making the introduction of new lines difficult.

For the most part, sports equipment is sold through specialist sports shops, numbering some 4,000 in the U.K. Other important retail outlets are the retail chains (e.g., Woolworth, Boots, Tesco and the mail order chains).

Recent Canadian Marketing Activity

Canadian exports of sports equipment to the U.K. have grown from \$1.5 million in 1977 to almost \$5 million in 1982. This is still a very modest level in overall terms and leaves considerable room for expansion.

The U.K. market has been approached by Canadians either directly in major areas such as golf and gymnasium equipment, or indirectly in most other areas through the international European trade shows such as ISPO in Munich and SPOGA in Cologne. Both are attended by the main British buyers.

As Canadian exports in this sector are in the development stages, the broader exposure of the large international show has been considered the most efficient marketing vehicle. When Canadian companies become established, there could be a greater concentration in specific markets, including partici-

pation in local or regional trade shows. Frequent visits with area sales representatives or distributors would continue to be required to capitalize on the relationships established elsewhere.

Canada's current share of the U.K. sports goods market appears to be confined to hockey, swimming, archery, golf, snooker/billiards and gymnasium equipment.

With the exception of hockey clothing, which is an integral part of the sport, the market is limited with respect to sports clothing and general sports footwear.

Market Considerations

Although the Canadian sporting goods industry has the potential for increasing its market share, that capability must be viewed in the context of its ability to supply competitively priced, compatible products to the U.K.

Canadian firms have concentrated their production efforts in the upper-middle to superior quality price categories, leaving the low end to producers from Asia. It is new developments, such as lightweight walking boots, steel and fibreglass tennis racket frames, moulded ski boots, and moulded hockey skates which will provide the best export potential. The first company to get to the market with a comprehensive export promotion package will likely be successful.

Acceptability of Canadian goods has been amply demonstrated, and even a relatively minor change in the economic fortunes of the U.K. combined with more favourable exchange rates could render Canadian goods very competitive in this market.

Competition

Production in the U.K. in any volume is dominated by a handful of major companies. By breadth of manufacturing capacity, Dunlop and its holding company, International Sports Company, is believed to be the largest. Others include Wilson Sporting Goods, Grays of Cambridge, Lillywhites, My Dart and Unicorn.