

COMPREHENSIVE EXAM
FOOT LOCKER
SWOT ANALYSIS: DICK'S SPORTING GOODS

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I. STRENGTHS

A. Leading Omni-Channel Sports Retailer

Dick's Sporting Goods positions itself to intersect both the digital and in-person sports retail experience. This business model has sustained Dick's Sporting Goods to maximize the consumers shopping experience from every touch point.

B. Fulfills Online Orders Through Retail Stores

Dick's fulfills online orders from their stores which sustains the company. Using the internal systems gives them an advantage by maintaining record sales and reducing shipping costs. (Pestel Analysis, 2025).

C. Owning high-margin vertical brands like Calia (womenswear) and DSG (family)

By having ownership of these verticals, there is an increase in overall net-profit. In addition to sales from other vendors, this creates competitive advantage for those who like to shop Dick's Sporting Good brands.

D. Dick's House of Sport

House of Sport operates as a unique experience in retail-stores by having access-- from rock-climbing walls and batting cages, to expert services with technicians, or a chance to have a community event, this enhances customers experience from a holistic standpoint.

E. The Score Card Loyalty Program and Game Changer App

These two programs assist in collecting internal data on the current consumer(s). More specifically, the loyalty program creates brand loyalty by providing exclusive offers, discounts, and insiders while the Game Changer app helps build relationship trust amongst the younger demographic providing generational conversion.

II. WEAKNESSES

A. Merging a Company

Dick's most recent acquisition of Foot Locker companies creates pressure around margins from costs to restructuring. Internal resources can be spread thin until figuring out how the two become synchronous.

B. Heavy Reliance on Vendor Relationships

Dick's Sporting Goods heavily depends on prominent retailers like Nike and Adidas to drive traffic sales and volume. If vendors decide to pull back on their negotiation terms, this can create a shift in the consumer, and even have the company lose out on access to premium product.

C. Slow Website Load Time Compared to Top Competitors, Internal Operation Factor

Dick's is currently experiencing delays during check out on their website. Compared to top competitors, this hurts sales due to customer journeys not being completed and losing out on orders being fulfilled (Dick's 2026).

D. No International Stores

Since Dick's has not diversified internationally, this limits the ability to expand to other markets.

III. OPPORTUNITIES

A. The 2026 FIFA World Cup

The World Cup projects a significant surge in new demand for capital, specifically in the soccer-related marketplace (FIFA, 2026). This aligns with company capabilities because Dick's is a reliable retailer for a vast amount of sports equipment and apparel.

B. Rise in Consumer Interest of New Sports

The fitness world goes through a new life cycle with a new sport becoming trendy every few years. This opportunity aligns with the company because if Dick's follows trend forecasts, they can onboard proper equipment and sports attire for consumers to rely on the omni-channel retailer as their primary destination.

C. Advances in AI

Artificial Intelligence has been a tool used across many industries to enhance and advance technologies. More specifically in retail, AI is used as an assistance tool on websites and visual try-on elements to enhance the customer experience and increase sales. Dick's should seize this opportunity to enhance its online experience.

IV. THREATS

A. Sneaker Culture

Sneaker culture has had a huge surge since the 2010s creating high demand from exclusive drops. This has made DTC vendors have to compete against bots and resell platforms for exclusive, trendy sneakers with the "latest drops" with on e-commerce platforms like Stock X.

B. Decline in Foot Traffic/In-person Shopping

Since the pandemic, the convenience of online retail has grown tremendously, changing consumer culture and habits. This has led to a decline in shopping malls due to mall vacancy.

C. Direct-to-Consumer (DTC) Pivoting with Partnered Vendors Like Nike

Vendors that are in partnership with Dick's Sporting Goods also push into their own channels making Dick's a secondary option of consumers seeking new releases on items.

D. Unforeseen Economic Conditions Impacting Customer Purchasing Power

Inflation, supply chain disruptions, tariffs, stagnant wages and continued increase on the cost of living just to name a few reduce overall economic confidence amongst classes of different economic status.

STRATEGIC INSIGHTS/RECOMMENDATIONS:

1. Capitalize on the 2026 FIFA World Cup Through Targeted Soccer Campaigns

The 2026 FIFA World Cup will be a monumental moment for sports and culture. Because of this, The U.S. market will experience a surge in consumer interest in soccer. Dick's Sporting Goods is uniquely positioned to show up as the leading omni-channel sports retailer in the United States. This includes shoes, apparel, equipment, reaching youth, creating social and professional settings. Dick's should launch a dedicated FIFA campaign (i.e, the Foot Locker Kitchen!) strategy that includes exclusive product, in-store activations at House of Sport locations, and an ambassador program while implementing digital marketing through the ScoreCard loyalty program to drive both foot traffic and online conversions. This recommendation directly responds to the FIFA World Cup opportunity while leveraging existing strengths in omni-channel retail and loyalty data. Acting early and aggressively on this window is critical because it is a fixed, non-recurring event with a defined consumer demand peak that competitors will also be targeting.

KPIs: 25% increase in soccer category sales YoY during Q2–Q3 in 2026; 15% increase in new ScoreCard loyalty downloads and enrollments tied to the soccer campaign activations.

2. Invest in Artificial Intelligence to Improve Internal Online Weaknesses

Dick's Sporting Goods is currently facing a measurable weakness in its online checkout experience. Slow website load times have directly contributed to incomplete customer journeys and lost revenue. Advances in artificial intelligence present a great opportunity to fix this problem and transform the entire digital shopping experience to a competitive advantage. Ways in which AI-powered tools can be implemented to enhance systems include personalized product recommendations, intelligent chatbots, and streamlined checkout technology to reduce friction and increase conversion rates. This strategy is specifically well-positioned for Dick's because the ScoreCard loyalty program already

provides a strong data base. Allowing AI models to be trained on real purchasing behavior from day one will add to already existing data for more precision. Addressing this weakness improves the customer experience, reduces the revenue loss caused by abandoned carts and incomplete transactions, and modernizes the web interface design.

KPIs: 20% reduction in cart abandonment rate within 12 months; 15% increase in online conversion rate; website load time benchmarks reach parity with top competitors within 6 months.

3. Leverage Private Label Portfolio as Growth Strategy Against Competitors/Partners

Major vendor partners like Nike and Adidas are leaning more into their own direct-to-consumer channels. As a result, this puts Dick's Sporting Goods in a position as a secondary destination for consumers to buy these popular brands and their new, exclusive products. This creates a threat to Dick's revenue and brand relevance in the space. However, with Dick's having its own portfolio of privately labeled brand products, this is a sustainable growth opportunity to leverage their exclusive items to enter the market. Having Calia a womenswear line and DSG for families, there is opportunity that can be executed through different tactics like ambassador programs, and digital marketing within the DSG ecosystem. The goal would be DTC conversions making Dick's an exclusive destination since vendors can't replicate the brand.

KPIs: 10-15% growth increase by Q3 2026; 10% increase in newsletter sign-ups for exclusive Calia and DSG products, reduction in revenue dependency from 2 vendors.