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Skechers, Anta make inroads at Nike's expense

Article

The insight: **Nike**'s loosening grip on sneaker culture is creating opportunities for players like **Skechers** and **Anta**.

- Skechers' focus on comfort and affordability has put it on track to earn $10 billion in annual sales by 2026.
- Anta's partnership with **NBA star Kyrie Irving**—whom Nike dropped in the wake of an antisemitism controversy—has helped the brand boost its US profile and make inroads into the lucrative basketball market.

How we got here: Both Anta and Skechers have profited from Nike's ill-fated moves several years ago to reduce its wholesale presence and prioritize its most lucrative franchises. Nike's decisions to cut or minimize ties with retailers that catered to lower-income consumers, and to reduce the number of cheaper styles in its assortment, opened the door for Skechers to take share.

Meanwhile, cutting ties with Irving cost Nike one of its most promising franchises—which Anta was quick to capitalize on. The Chinese company was the fastest-growing sneaker brand on **Stock X** in 2024. Its sales catapulted more than 1,900% YoY, in large part due to Irving's Kai 1 basketball sneaker launching early in the year.

Our take: In many ways, Nike is still on top.

- **The company dwarfs its competitors.** Its global market share in 2024 was 16.4%, less than a percentage point lower than it was in 2022, and well ahead of **adidas** (9%) and Anta (3.7%), per Euromonitor data cited by Front Office Sports.
- **Retailers are eager to resume ties.** Foot Locker, **JD Sports**, and **Macy's** are relying on Nike to shore up their struggling businesses, letting the brand get in front of a wider variety of consumers and potentially take back shelf space from competitors.

But the company faces a long road to recovery, which could create more opportunities for Sketchers, Anta, and the numerous upstarts jostling to replace it.

- Revenues fell 8% YoY in fiscal Q2 (ended November 30, 2024), due to efforts to clear inventory and reduce its reliance on franchises like Air Jordans.
- While CEO Elliott Hill has a turnaround plan in hand—which includes more marketing investments, repairing wholesale relationships, and restoring Nike's focus on sports and innovation—the company warned that sales could fall in the short term.

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