

Is Adidas REALLY Passing Nike?

By: Daniel Bates

Adidas is growing. Fast.

But is it enough?

The company's U.S. first-quarter sales have grown 21 percent over the previous year, a performance mostly fueled by celebrity partnerships with style icons the likes of Kanye West and Pharrell Williams, and a renewed focus on marketing and creativity brand-wide.

A fashion sea change towards casual streetwear has helped the three stripes brand as well, which sells streetwear staples like the UltraBoost, Yeezy 350 v2, and Stan Smith sneakers.

This trend has produced a remarkable run for Adidas which has posted a 20 percent or more increase in North American sales each of the last nine quarters.

"I've never seen a brand in the sneaker industry grow this fast," NPD sports industry analyst Matt Powell stated in an interview with ESPN.

In 2017, Adidas made big news by surpassing Nike's Jordan brand as the second most popular sneaker brand in America, growing from 6.6 percent of the U.S. market share to 11.3 percent. While Jordan brand increased marginally 9.4 percent to 9.5 percent.

Despite the huge jump, Adidas is still a much smaller brand than Nike in America, only amassing \$5.1 billion in 2017 sales to Nike's \$15.2 billion.

But, the brand has built up a head of steam that has been hard to ignore, especially with Nike's first-quarter U.S. sales dropping 6 percent this year, and the appearance of hip-hop superstar Drake transitioning from the Jumpman to Adidas.

"Adidas is for the culture," said Andre Early, a recent college graduate, and musician. "They really have their thumb on the pulse of streetwear and sneaker culture. It seems everywhere you go you see the three stripes."

While Nike's sales have slowed since 2015, they still have a significantly larger business, and some of basketball's biggest names still wear the swoosh, namely LeBron James, Kevin Durant, and Kyrie Irving.

The swoosh has a market value of \$109.47 billion overall compared to Adidas' \$23.07 billion, and their domination of the sportswear appears to be largely unthreatened.

Nike has appeared to have ventured deeper into the streetwear world as well.

In recent months the brand has done huge collaborations with Off-White designer Virgil Abloh, artist and designer Brian "KAWS" Donnelly, and rapper Travis Scott. As well as an upcoming silhouette with famed designer and friend of Kanye West, Don C.