The Foreign Invasion: The Sporting Goods Industry between 1950 and 1975

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By 1975 foreign competitors controlled large sections of the American sporting goods market. The attack began in 1956 with Japanese imports of baseball and softball gloves. By 1963 Japan controlled 60% of the US market for these products. Famous American companies like Dubow, Stall and Dean, Spalding and Brothers, Rawlings, and Thomas E. Wilson suffered. Dubow went under. Stall and Dean stopped producing baseball and softball gloves. Spalding, Rawlings and Wilson moved manufacturing operations overseas. In the years that followed other sporting goods companies experienced the same plight. Foreign competitors, principally from Japan and Europe, progressively captured larger and larger shares of the American sporting goods market. Tennis and golf were typical. The market for tennis and golf equipment increased an average of 13% each year between 1959 and 1964. American companies did not reap the benefits. By 1964 foreign manufacturers had 83% of the American market for these products. Fishing equipment, football and soccer equipment, bowling, boxing, skates, and ski equipment followed similar patterns. American athletic shoe manufacturers saw European and Japanese companies make successful inroads into the US Market during the 1960s. The Tokyo Olympics added insult to injury. Adidas bags were seen everywhere and the American track team was outfitted with Adidas shoes and other equipment. By 1967 Adidas, Puma and Tiger were the top three producers of track, football, soccer, and baseball shoes for American markets. Japan was number five and gaining.

Why were foreign sporting goods firms so successful in American markets? What does their success tell us about the American sporting goods industry in general and the American sporting goods consumer in particular? What does the conquest of American markets tell us about American sport during the 1960s and 1970s? As Stephen Hardy has demonstrated in "Adopted by All the Leading Clubs" (1990), the answers to these questions can add much to our understanding of American sport.

To answer the above questions this study applies Michael Porter's structural analysis of industries model to the sporting goods industry between the years 1950 and 1980 and emphasizes the competitive strategy of foreign firms. It analyses foreign competitive strategies involved with product differentiation, gaining access to distribution channels, new technology, switching costs, cost advantages, and American tariff policy. The competitive advantage that foreign sporting goods firms have in American markets is a result of their ability to adopt successful competitive strategies. Foreign competitors understood the American sporting goods market. They developed products that Americans wanted and marketed them successfully.

Information for this study was gathered from the following kinds of sources: industry studies, market reports, company histories, trade association documents and reports, trade magazines, government publications, business journals and newspapers, field interviews, business histories, sport histories, social histories, and popular culture histories.