

APPAREL AND ACCESSORIES

Farfetch exhibits growth of streetwear with \$250M investment

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Highly sought-after Air Jordans Air styled by students at Little Black Pearl, a nonprofit cultural arts center for Chicago's youth sold at Stadium Goods. Image credit: Stadium Goods

By BRIELLE JAEKEL

Online retailer Farfetch is forecasting the rise of high-end sportswear and sneakers with a new takeover of Stadium Goods as the sector overtakes traditional luxury footwear.

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With its new acquisition of marketplace Stadium Goods, Farfetch is proving its confidence in the premium sports footwear sector, but its decision was not based on a whim. The online retailer, which specializes in luxury goods, saw the rise in streetwear and premium sneakers from millennial and Gen Z groups and knew there was an overlap in the market.

"[The acquisition] is a great confirmation for the market," said David Fischer, founder and CEO of streetwear-focused media brand **Highsnobiety**, Berlin. "Farfetch's \$250 million bet shows their confidence in this field and in this consumer."

Mr. Fischer is not associated with Farfetch or Stadium Goods but agreed to comment as an industry expert. **Farfetch** was reached for comment.

Streetwear growth

Farfetch will be expanding its offerings in upscale sneakers and streetwear with the purchase of Stadium Goods.

Retailing both new and deadstock merchandise, Stadium Goods sells brands ranging from Supreme to Louis Vuitton. With this alliance, Farfetch and Stadium Goods are looking to gain a bigger share of the growing streetwear market that was valued at \$70 billion in 2017 ([see story](#)).

[View this post on Instagram](#)

Nowhere has more sneakers. Excited to welcome @stadiumgoods to the Farfetch family!

A post shared by Farfetch (@farfetch) on Dec 12, 2018 at 10:30am PST

Instagram post from Farfetch

The compound annual growth rate of premium sneakers from 2009 to 2017 grew by 22 percent, while during that same period luxury footwear saw less than half of that growth at 10 percent.

Farfetch's affluent customer base is likely a prime candidate for crossover interest, allowing it to target more of its audience's interests with the Stadium Goods acquisition.

Not only is the luxury streetwear sector growing, it also elicits a highly engaged response from its audience. Many product launches and new collections or collaborations see frenzied excitement from its millennial fan base, and widespread organic social media coverage.

For instance, former Givenchy creative director and current head of Burberry Riccardo Tisci worked with the mass sportswear brand Nike for a special collaboration in between his time at the two fashion labels. The collaboration saw extensive hype as fans eagerly awaited its drop in October of last year.

Musical artist and designer Kanye West similarly teamed up with Nike competitor Adidas for a collaboration launch, which saw sneakers priced at \$390 and more, with shoppers lining up hours before the collection's launch. Many retailers gave out raffle tickets to choose who would be able to purchase the sneakers since the product-to-shopper ratio was so exclusive ([see story](#)).

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Stadium Goods (@stadiumgoods) December 12, 2018

Stadium Goods taps the Yeezy hype

Recent research from Fashionbi backs up Farfetch's hunch that premium sports footwear is on point to become a major component of the luxury shoe market.

The subsegment of the footwear industry has seen a 7 percent compound annual growth rate, which is leading the entire footwear industry. This will likely continue to trend upward with demand and sales rising ([see story](#)).

Stadium Goods and Farfetch

Farfetch began to work with Stadium Goods in April of this year, with the latter providing sportswear inventory for the former.

The two even joined together to host a holiday pop-up shop at Sole DXB in Dubai from Dec. 6 to Dec. 8. The space not only held one-of-a-kind products in the streetwear realm, but also featured a variety of performances and appearances from rappers, DJs, musicians and other notables closely related to streetwear.

Both companies believe the acquisition better serves their strategies, while allowing them to remain separate entities. Farfetch will now have better access to all things street and sportswear, while Stadium Goods will have access to Farfetch's vast technology, logistics and data, as well as its global footprint.

"The acquisition is a smart move for Farfetch," Highsnobiety's Mr. Fischer said. "It gives them access to a completely new type of goods and access to an influential young male customer base that has the means to spend on expensive items."

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