

# Entering the European market for sportswear

Some of the world's most interesting markets for sportswear are in Europe. However, setting up a business relationship with a European buyer can be challenging. This report will help you understand what the most important requirements and opportunities are in the European market. You will learn about the rules and regulations for exporting sportswear to Europe, about the best channels to get your product to the market, about the countries where your competitors are and the best ways to provide quotes for potential buyers.

## Contents of this page

1. [What requirements must sportswear comply with to be allowed on the European market?](#)
2. [Through what channels can you get sportswear on the European market?](#)
3. [What competition do you face on the European sportswear market?](#)
4. [What are the prices for sportswear on the European market?](#)

## 1. What requirements must sportswear comply with to be allowed on the European market?

If you want to sell sportswear in the European market, you need to comply with several requirements, some of which are mandatory, whether they are legal requirements or not. Others are voluntary, but meeting them can give you a competitive advantage. Some requirements only apply to certain niches in the sportswear market.

### Mandatory requirements

There are many legal requirements for exporting sportswear to Europe, including those concerning product safety, the use of chemicals (REACH), quality and labelling. Additionally, many buyers have created non-negotiable terms and conditions for all of their suppliers to comply with. Although these requirements are not required by law, they are still mandatory.

### Product safety

Any item for sale in the EU must comply with the EU's General Product Safety Directive ([GPSD: 2001/95/EC](#)). European Union Member Countries will check if your product meets the applicable safety requirements.

If your buyer has supplied the product design, it is their responsibility to make sure it is legally safe for consumers to use. However, if you have any doubts about whether a design is not compliant with the EU's General Product Safety Directive, discuss it with your buyer before you start the production process.

### Special requirements for children's sportswear

The EU has a [specific standard for the safety of children's wear](#), including sportswear. This standard contains requirements to ensure that cords and drawstrings are placed safely on apparel for children up to 14 years. This is to avoid strangulation and choking hazards. Check the EU's [2019 Guidance Document](#) for extra information on safety requirements for children's sportswear.

### REACH

If you want to export sportswear to the EU, you have to comply with the [REACH Regulation](#), which restricts the use of many chemicals in apparel and specific materials used for trims. The use of these chemicals in sportswear is either restricted or prohibited altogether.

Chemicals commonly used in apparel production, which are restricted under REACH include:

- Azo dyes which may release one or more of the 22 aromatic amines listed in [Appendix 8 to the REACH Regulation](#); nonylphenol and nonylphenol ethoxylates; heavy metals, such as mercury, cadmium and lead;
- Flame retardants, such as tris (2,3-dibromopropyl) phosphate; tris (aziridinyl) phosphin oxide and polybrominated biphenyls (PBB);
- Waterproofing and stain-repelling chemicals, such as perfluorooctane sulfonic acid and its derivatives (PFOS), which were originally restricted under REACH, but are now restricted under the Stockholm Convention;
- Nanomaterials used to make fabrics antibacterial;
- Nickel, a restricted compound in metal trims and accessories (zippers, buttons, jewellery);
- Polycyclic-aromatic hydrocarbons (PAHs) and phthalates used in plastic and PVC parts.

## Restricted substances lists (RSLs)

In addition to REACH, many fashion brands and retailers have formulated their own RSLs, which are stricter than REACH. They are often inspired by the guideline on safe chemicals use from the Zero Discharge of Hazardous Chemicals (ZDHC) foundation. Download the ZDHC [Conformance Guidance](#) to learn how to comply with the ZDHC guideline.

## Labelling your product

You must specify the material content of every item of sportswear that you export to the EU, in accordance with EU [Regulation 1007/2001](#). The purpose of this regulation is to let consumers know what type of apparel they are buying.

Labelling the country of origin ('Made in') or labelling care instructions is not yet legally required in the EU. Including care labels in your bodywear is highly recommended though. Consumers expect it, especially because sportswear is frequently washed.

[ISO 3758: 2012](#) is the preferred standard for care labelling. The care label symbols are property of the company [GINETEX](#). You need to pay a fixed compensation to GINETEX to use these symbols.

## Intellectual property rights

If you are selling your own designs in the European market, you must make sure you are not violating any intellectual property (IP) rights. If your buyer provides the design, they will always be liable in case the item is found to violate a property right. You can check the EU's Intellectual Property Office (EUIPO) website for examples of [designs](#) and [trademarks](#) and a database containing all IPs registered in the EU, but not necessarily in each individual European country.

Complying with intellectual property rights also means you cannot copy nor share designs from one buyer with another. European buyers expect you to handle their designs prudently.

## Non-legal mandatory requirements

In addition to the legal requirements mentioned above, you may be required to comply with non-negotiable terms and conditions that buyers have created for their suppliers. Such requirements are not required by law, but they are still mandatory.

## Sustainable production and social responsibility

Many buyers in Europe are increasing their demands in terms of sustainable production and social responsibility. At the very least, buyers will ask you to open your factory doors for them, so they can conduct personal inspections of your factory. Additionally, you may be requested to comply with the following independent standards:

- Standard 100 by [Oeko-Tex](#) is the most widely required standard regarding harmful substances and

sustainable production. European buyers may also require standards such as the [EU Ecolabel](#), [BCI](#) (Better Cotton Initiative), [GOTS](#) (Global Organic Textile Standard) and [Bluesign](#).

- Regarding the use of recycled or circular materials, buyers may require standards such as the [GRS](#) (Global Recycled Standard) or [C2C](#) (Cradle to Cradle).
- Regarding social responsibility, [BSCI](#) (Business Social Compliance Initiative) is the most popular certification that European buyers require. Other popular CSR standards include [FWF](#), [WRAP](#), [SEDEX](#), [ETI](#), [SA8000](#), [ISO 26000](#), and [Fair Trade](#).

## Packaging requirements

In most cases, your buyer will give you instructions on how to package the order. If you agree with your buyer that they will clear customs in the country of import, which is the norm in the apparel industry, it is their responsibility to make sure the instructions comply with EU import procedures.

The packaging instructions will be written down in a packing manual. In this document, you will find all relevant packing instructions concerning:

- type and quality of the packing material you need to use;
- size of the packing material;
- information that should be mentioned on the packing material, including style references and numbers, size breakdown, number of pieces and colourways;
- placement and position of barcodes;
- way of stacking;
- maximum quantity in a box or polybag;
- maximum weight of an export carton;
- nominated suppliers for the packing material.

Your buyer will also appreciate any efforts you make to reduce the environmental impact and the financial cost of using packaging materials. First, you can make suggestions on how to use less packaging materials. Another option is to use environmentally friendly alternatives, such as recycled and biodegradable materials.

## Payment terms

In most cases, a European buyer will pay you a percentage of the total sum of the order, for example 30% of it, when they place the order and the rest (70% in the example) after the order is completed. The most used payment method in the apparel industry for such a transaction is the letter of credit (LC). An LC obligates a buyer's bank to pay the supplier when both parties meet the conditions they have agreed upon.

In another case, a buyer might ask for a telegraphic transfer (TT) after 30, 60, 90 or sometimes even 120 days. This means you, as a manufacturer, finish the production and hand over the shipment to the buyer, including the original documents before payment is due. The payment will be made after the number of days that you have agreed on with the buyer. This is a risky payment agreement because you take full financial risk.

### Tips:

Read the CBI report [on buyer's requirements](#) for an extensive overview of the legal, non-legal and niche requirements you will need to comply with as an exporter of sportswear to Europe.

Read the CBI study [Organising Your Exports to Europe](#), for more tips on how to deal with payment terms, storing, packaging and shipping.

Check the [EU's Trade Helpdesk](#) for an overview of all legal requirements set for your product. There you can identify your product code to get a list of the applicable requirements.

Familiarise yourself with the [complete list of chemicals restricted under REACH](#). Make sure you only work with suppliers of fabrics and trims that are REACH compliant. Ask for proof that they are.

Check the freely accessible [CSR Risk Check database](#) to discover the social and environmental risks associated with sportswear production in your country and ways to manage them.

## Additional requirements

In addition to non-legal, but mandatory requirements like standards and certifications, there are many services that buyers implicitly expect or at least highly appreciate if you want to do business with them. These requirements can differ from buyer to buyer.

## Product design and development

European buyers are always looking for special designs, materials and production methods that can help them stand out in the market. This is especially important in the sportswear market, which is driven by innovations in design, materials and special features that help end consumers improve their athletic performance.

In recent years, the following features have been applied to sportswear entering the European market:

- Performance increasing materials, such as special knits that improve blood circulation or give extra support in specific body areas;
- Integrated fall-protection padding;
- Integrated wearable technologies, such as pedometers, heart rate and blood pressure sensors, headphones, etc.;
- Lightweight fabrics and insulation materials;
- Highly breathable, waterproof materials;
- Stretch materials for maximum movement and comfort;
- High-visibility materials, gadgets and prints for poorly illuminated environments;
- Antibacterial nano finishes that keep sportswear fresh and odour free;
- UV protection.

To ensure quality, and in some cases also environmentally friendly production methods, buyers may require you to source your base materials from a preferred supplier, such as:

- [DuPont](#) for Lycra
- [Gore](#) for Gore-tex and Gore-tex Infinium

## Communication

Smooth communication is an implicit requirement of all buyers. Always reply to every email within 24 hours. Even if it is just to confirm that you have received the email and will send a more complete reply later. If you have a problem with a production order, immediately notify the customer and try to offer a solution. Another good tip is to create a T&A (time and arrival) of every order and share it with your buyer. This file will help you to manage expectations, monitor progress and is the best guarantee of on-time delivery.

## Flexibility

Many factories focus only on getting convenient orders: simple designs, large quantities and long delivery times. However, if you want to start a business relationship with a European buyer, be prepared to accept complicated orders first. Buyers will want to test your factory before giving you large, easy orders. Make sure at the start that a buyer will not continue to place only difficult orders with you and convenient orders elsewhere.

Expect a European buyer to require in their first order:

- high material quality and impeccable workmanship;

- order quantities below your normal minimum order quantity (MOQ);
- a price level that is lower than you normally would accept for small quantity orders.

## Niche requirements

Consumers in Europe practise a wide range of sports and exercises. Besides playing football, jogging and going to the gym, relatively new and niche sports have gained a following among new target groups. In most cases, these niche sports and target groups require specific sportswear with distinct characteristics regarding design, comfort, fit and protection. CrossFit, for example, which has been gaining popularity in various countries, is one example of these new forms of exercise.

## High-performance wear

High-performance wear is a niche market in which many technical innovations are being implemented. Companies developing high-performance wear try to create individual USPs to help athletes improve performance. Expect strict requirement regarding breathability, durability (abrasion, adhesion, colour fastness) and water resistance. Check [this article on Textile World for background info](#).

## Protective wear

Some outdoor sports require specific protection, such as high-abrasion fabrics, improved visibility, rainwear and impact-reducing padding. Impact protective sportswear typically combines a rigid outer shell and a foam padding to spread the impact and minimise damage.

## UV-protective swimwear

UV-protective swimwear is growing in popularity in Europe because consumers are more aware of the risk of skin cancer. UV-protective clothing is considered as Category 1 PPE under the scope of the [EU Regulation on Personal Protective Equipment](#).

## Plus-size sportswear

Consumers who have larger bodies are also increasingly joining the trend towards living healthier lifestyles, including practising sports and doing exercises. As a result, demand for plus-size sportswear is also growing.

## Fashionable sportswear

In recent years, sportswear has been crossing over into casual wear, becoming much more fashionable in terms of design and colours. This trend is called athleisure. Large European fashion companies, such as [H&M](#), have introduced sportswear collections, which have also influenced their regular fashion styles, design, materials, colours and comfort standards.

## Wearable technology

As mentioned above in additional requirements, technology is continuously being integrated with sportswear. The use of technology to measure and improve performance is trickling down from professional sports into the recreational market. Expect sportswear manufacturers that work closely with technology companies to have a competitive advantage in this market.

## Sustainable sportswear

European sportswear companies are increasingly using sustainable materials in their collections. Some buyers may focus on natural materials, such as organic cotton, merino wool, bamboo and biodegradable plastics, while others will use recycled fabrics, such as nylon and polyester. Check [this article on recycled sportswear](#) on the ISPO website.

## 2. Through what channels can you get sportswear on the European market?

Before you start to approach European sportswear buyers, you need to determine what market segment fits your company best and through what channels you want to sell your product.

### How is the end market segmented?

In addition to the obvious market segmentation in terms of different sports, European sportswear buyers can best be classified by price-quality level. This is because almost all sport categories are serviced by companies from the luxury to budget markets. This applies to all product categories, including outerwear, tops and bottoms, underwear, swimwear, etc.

Table 1: sportswear market segmentation

Consumer type	Price level	Fashionability	Materials used	Functionality	Order quantities
Luxury consumers, semi-professional athletes and amateurs	Very high retail prices	Highly fashionable, highly functional designs	Highly innovative, performance improving materials	Very high requirements regarding functionality and design	Low order quantities
Amateur athletes and athleisure consumers	Medium retail prices	Technical look, brand image	Good quality, sometimes sustainable materials	Low – medium requirements on functionality	High order quantities
Price-conscious consumers	(extremely) low retail prices	Basic styles	Medium-low quality materials	Low functionality	High order quantities

### Luxury consumers, semi-professional athletes, fans and amateurs

High-fashion consumers, as well as professional, semi-professional and amateur sportspeople in Europe shop at luxury brands and retailers, such as [Moncler](#), [Colmar](#) and [Toni Sailer](#). These consumers expect their sportswear to improve performance and be very comfortable. Sports brands in the luxury market require top quality materials and manufacturing, the latest technical innovations and highly functional designs. This market is stable.

### Amateur athletes and athleisure consumers

In the middle market, lifestyle sportswear brands such as [Adidas](#), [Puma](#) and [Brunotti](#) cater to amateur athletes and athleisure consumers. These companies sell collections created around brand image and offer a good-quality product for a mid-level price. Products must have the technical look of a high-end product, but retail prices are substantially lower. Because of the increasing integration of sports and leisure wear following the athleisure trend, companies in this segment service two markets: sportswear and fashion. This market is growing.

## Price-conscious consumers

The budget market includes companies such as [Decathlon](#), [H&M](#) and [Sport 2000](#), which cater to the price-conscious recreational athlete. Design and technical innovation are less important, but the apparel item needs to give the impression that it is fit for its purpose. Prices are low and competition is heavy in this market segment, both with regard to retail and to manufacturing. This market is growing.

Table 2: Select European sportswear companies and their market approach

Company name	Price-quality level			Functionality			Order quantities		
	low	mid	high	basic	mid	high	low	mid	high
Moncler			x			x		x	
Colmar			x			x		x	
Toni Sailer			x			x			
Adidas		x			x	x			x
Puma		x			x			x	
Jako	x			x					x
Oxbow		x		x				x	
Le Coq Sportif		x		x			x		
Fila		x		x				x	
Kappa		x		x			x		
Reebok		x			x			x	
Umbro		x		x				x	
Joma	x			x				x	
Quick		x		x			x		
Brunotti		x		x			x		
Intersport		x			x			x	
Decathlon	x				x				x

H&M	X			X					X
Sport 2000		X			X			X	

### Tips:

Check sportswear assortment on online shopping platforms, such as [Yoox](#) (luxury and upper-middle market segments), [Zalando](#) (all market segments) and [Asos](#) (middle and budget market) for inspiration in styles and colours.

Add value for higher segments which offer higher profit margins. Focus on technical innovations and highly functional designs. Read [this article on high-tech sportswear innovations on WTVOX](#) and [this article on innovative sportswear manufacturing techniques](#) featuring at the new Sportswear PRO 2020 trade fair.

## Through what channels does the product end up on the end market?

The most marked difference among your potential buyers is their place up the value chain, because that will determine how they do business with you. Within each part of the value chain, you will find buyers of different market size, with different requirements regarding certification, quality MOQ and price.

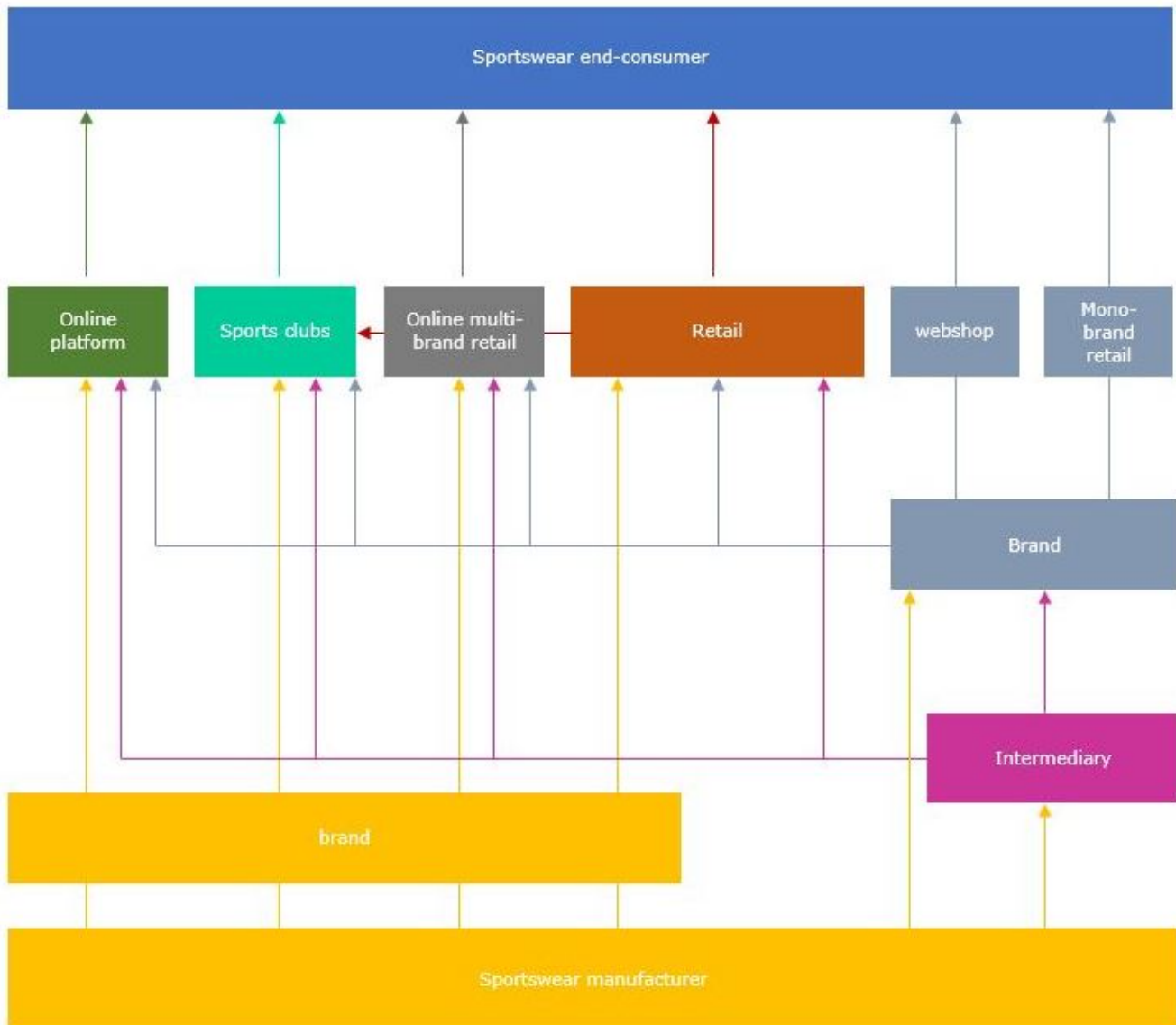
Each type of buyer requires a specific approach. Always try to find out in what part of the value chain your buyer is operating, what challenges they face in the market and how you can contribute to their sales strategy.

- If you want to target European end consumers, try selling via platforms, such as [Alibaba](#), [Wish](#) and [Amazon](#). Most online consumers can be found in countries in Europe's northwest. You will need to invest in a web shop, stock, order management and customer service. Your biggest challenge will be return policies and lack of brand awareness, making it difficult to find buyers outside the budget market.
- Online multi-brand retailers such as [Zalando](#), [Asos](#) and [Yoox](#) sell existing sportswear brands and develop their own private collections, mostly value brands. They can detect market interest very fast and will immediately react upon sales data. Usually such companies will place a small test order first. If the item is selling well, they will place the actual production order. Fast delivery is a must.
- If you want to sell to retailers, the biggest names in sportswear are [Decathlon](#), [Intersport](#), [Sport 2000](#) and [JD Sports](#). Large European fashion retailers which have entered the sports market include [H&M](#), [Only](#) and [Jack & Jones](#). Retailers can place an order relatively easy as they only need one development sample for order confirmation. Order quantities are usually high, just as price pressure.
- Sportswear brands like [Adidas](#), [Puma](#), [Fila](#) and [Le Coq Sportif](#) typically develop a collection 12 months in advance. You will need a large sample room as brands require salesman samples (SMS) of each collection style. Every sample needs to be actual, meaning it must look exactly like the product will in the shop, with branded hangtags and accessories. It may take many months before orders are placed.
- Intermediaries such agents, traders, importers and private label companies, sell your product on to buyers up the value chain. They are price focused and require flexibility in quantities and qualities. Some are located near or in the production countries and primarily do sourcing and logistics, such as [Li & Fung](#). Others, such as [Dewhirst](#), work from Europe and also do market research, design and stock keeping. Their service level determines the commission rate they charge.

A niche within this channel are private label companies that supply brandless uniforms to sports clubs and their members.

Figure 1: Sportswear market value chain





## What is the most interesting channel for you?

After intermediaries, sportswear brands, sportswear retailers and general fashion retailers that have expanded their collections into sportswear are likely the most interesting channels for you. These companies have the largest market share, they service every price-quality segment and they are used to working with suppliers in different sourcing destinations worldwide.

### Intermediaries

Agents, traders, importers and private label companies are the most adventurous types of buyers and are usually the first to investigate new sourcing destinations and factories. By working with this type of buyer, you will have access to many different buyers up the value chain and you can learn how to service them by following their instructions.

### Sportswear retail

Sportswear retailers are the most interesting channel because they have the biggest market share and they develop their own products. Present all over Europe through large megastores, plus their own online shops, these retailers require large order quantities. Price pressure is equally high and competition from other manufacturers is strong, as producers from many countries service this market.

## Sportswear brands

Most European sportswear brands develop special collections for outlet stores. This is a good entry point for manufacturers to do business with European brands because the items will have a relatively simple design and order quantities large. If the buyer is satisfied with the quality of your product and your service, you may be able to produce items for the buyer's mainstream collection.

## Fashion retail

Large European fashion retailers are increasing their market share in the sportswear market. They are also used to doing business with manufacturers in developing countries. In addition to delivering a good-quality product for a competitive price, your service level needs to be high. Retailers may lack professional expertise in sportswear, so they may seek your advice on product quality and development.

### Tips:

Find potential buyers on the exhibitor list of the [ISPO](#) sportswear trade fair in Germany and the new [Sportswear PRO 2020](#) trade fair in Spain, even if you do not plan to attend. If you do plan to meet potential buyers at a fair, check what collections they have, buy one or two items and prepare matching or improved samples. Work out the costing as well before you introduce your company and your samples to a potential buyer.

You can find intermediaries specialised in sportswear by using an online search engine. Use keywords such as 'full service', 'garment' or 'sportswear' plus 'solution'. Traders' websites usually show the brands they are working with.

Be on top of new technical developments in the market, so you can work as an advisor to a producer to create advantages over the competition.

## 3. What competition do you face on the European sportswear market?

Sportswear is manufactured worldwide, so you will likely face stiff competition in this market. The most important ways to create a competitive advantage over manufacturers in other countries are: technical knowledge, service level, flexibility to accept lower MOQs, efficiency and beneficial trade agreements.

### Which countries are you competing with?

China is the biggest exporter of sportswear worldwide. Technical innovation, high efficiency, excellent customer service and the local availability of fabrics and trims give Chinese manufacturers an advantage over competitors in other developing countries. High MOQs, relatively long lead times, rising labour costs and not being part of the [Generalised Scheme of Preferences](#) (GSP) that removes import duties to the EU, all work against Chinese exporters. China has lately also struggled with the insecurity resulting from the US-China trade war. See [this article on Fortune](#) for more on this trade dispute.

Bangladeshi producers specialise in making cheap basic apparel, including sportswear. The country benefits from low production and labour costs and the GSP. The biggest challenge for Bangladesh will be to increase technical expertise, facilitate smaller orders and to get more factories to comply with international safety and sustainability standards.

Vietnam has a long history in producing sportswear. The accuracy in detail and workmanship of Vietnamese manufacturers make their products stand out in quality. The country also benefits from the GSP. Vietnamese

producers' challenges include high MOQs, limited availability of local fabrics and trims and in general a lack of capacity, especially in the factories that operate in the north and south of the country). As competition for land and local talent rise, some Vietnamese manufacturers and foreign investors have [slowed their expansion plans in the country](#).

Myanmar is an up-and-coming country in sportswear production. Foreign investors are setting up new factories and supplying expertise to the country, which raises expectations for efficient and reliable production of high-quality sportswear. The country benefits from the GSP. Producers in Myanmar, however, lack experience in accuracy and efficiency. Myanmar has also received negative [attention in Western media over social compliance concerns](#) over child labour, but working conditions seem to have improved in recent years.

Cambodia is another up-and-coming production country for apparel, including sportswear for brands such as Nike and Puma. Just as in Myanmar, many factories are set up by foreign investors, who also supply their expertise. The country benefits from the GSP. Sub-optimal production quality due to an inexperienced and relatively small workforce work against Cambodia. Just as Myanmar, Cambodia has also attracted negative [attention in Western media over social compliance concerns](#), but also working conditions seem to have improved in recent years.

Turkey has the main advantage of being close to Europe, which results in very short lead times. The country produces high-quality apparel in small quantities, including sportswear, plus, it has a European business culture. Among other things, Turkish manufacturers will accept payment in euros, but Turkish prices are relatively high.

### Tips:

Study the countries where your competitors are, compare their strengths and weaknesses to yours and advertise the competitive advantages of doing business with you. Besides GSP, consider factors such as distance to Europe, [ease of doing business](#) and [transparency](#).

Check the freely accessible [CSR Risk Check database](#) to discover the social and environmental risks associated with apparel production in different countries, including your own. Use this information to mitigate risks and to advertise the advantages of sourcing in your country.

Check if and how other countries benefit from the Generalised Scheme of Preferences on [the European Commission's website on international trade](#).

Most online search engines will let you create a news alert on a topic, so you can automatically follow the latest developments in the apparel industry in a specific country.

## Which companies are you competing with?

[Dopoo Sportswear](#) in China is a full-service manufacturer of sportswear items such as apparel for football, volleyball, basketball, hockey, running and even fishing. The company offers in-house design, printing, cutting, sewing and packing. Dopoo is a flexible company with low MOQs and short lead times. Its services are described on a user-friendly website, including a concise FAQ page. The company is ISO9001 and WRAP certified.

[Eco Couture](#) is a vertically integrated full-service apparel manufacturer in Bangladesh. The company exports sportswear to buyers such as PUMA, VF Company and Marks & Spencer. Eco couture is part of the Viyellatex Group, which invests in sustainable operations, such as energy saving technology and waste treatment, as well as [social responsibility](#). The company is ISO 14001, GOTS, CmiA and Oeko-Tex 100 certified. Viyellatex prides itself in being the only organisational stakeholder in Bangladesh of the [Global Reporting Initiative \(GRI\)](#).

[Eclat](#) is a Taiwanese publicly listed vertically integrated full-service sportswear manufacturer with production in

both Taiwan and Vietnam. The company develops and produces highly technical fabrics and innovative athleisure items and performance wear for buyers such as Nike, PVH and Asos. It is also highly dedicated to saving energy and water during production. Eclat is ISO14001, ISO14061-1, Oeko-Tex 100 and Bluesign® certified.

### Tips:

Check the free online database [Open Apparel Registry](#). This website lets you look up the suppliers of hundreds of European fashion brands, including buyers of sportswear.

Read the [CBI study 10 Tips for Doing Business with European Buyers](#) to learn how to approach and engage with buyers. This report also describes how you can get practical help with understanding European business culture, analysing your USPs and doing business with European buyers.

## Which products are you competing with?

Sportswear hardly faces competition from other fashion categories or alternative products. It is rather the other way around: sportswear is entering other categories and creating completely new trends. The rise of athleisure proves this. Only in the use of materials, there is fierce competition from new fabrics over traditional ones.

Traditional sportswear fabrics such as nylon and polyester are increasingly being replaced by new materials, such as organic cotton, merino wool, bamboo and Tencel. Buyers appreciate some of these materials for their natural qualities. Others are primarily used because of their sustainability, such as recycled polyester, nylon and elastane. The weakness of such materials is mainly low availability and high price point.

### Tip:

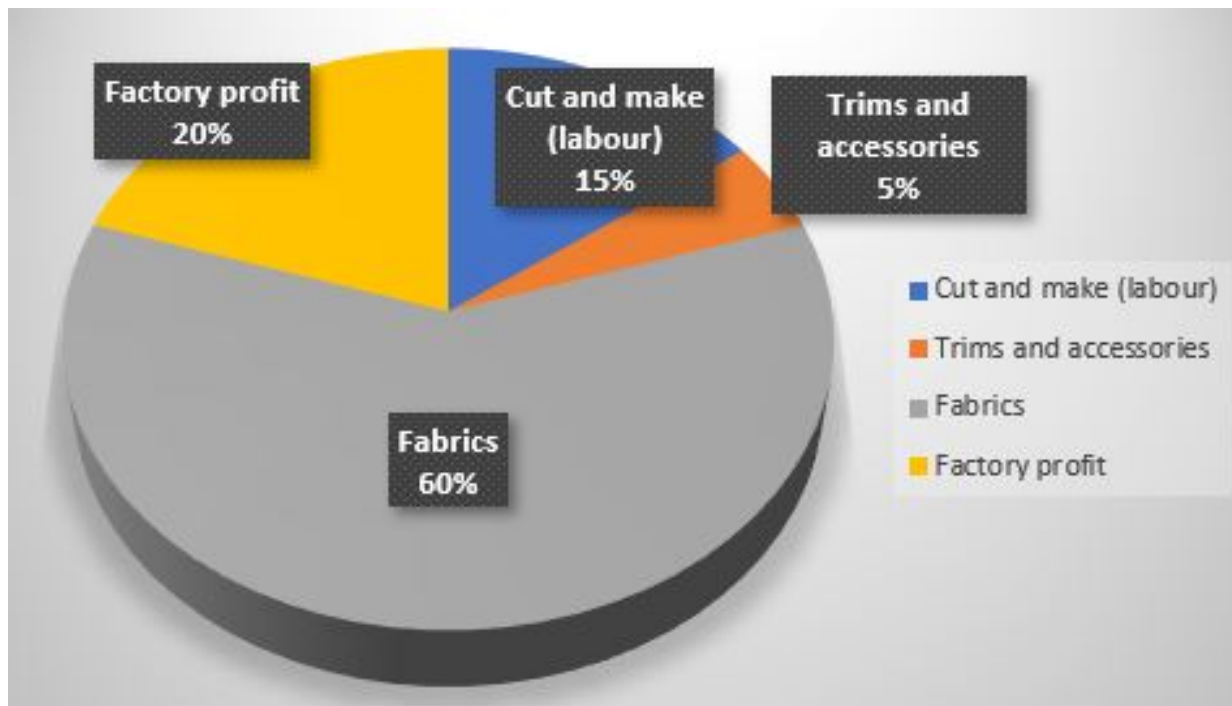
Although a lot of sportswear is polyester-based, do not forget to use natural materials. Many consumers still prefer natural materials over synthetics, especially in the athleisure and sportswear fashion subcategories.

## 4. What are the prices for sportswear on the European market?

The factory price of your product, which in the fashion industry jargon is your FOB price (for [free on board](#)), is influenced by many factors, including the cost of materials, the efficiency of your employees, your overhead and profit margin.

The following chart shows the average cost breakdown of a typical FOB price:

Chart 1: Breakdown of a typical FOB price



Note that these percentages may vary per factory and per order. Some factories accept lower profit margins during offseason periods or when order volumes are high. In addition, the percentages for labour versus fabrics may vary, depending on the efficiency and wage level of the workforce and the price of the materials. Efficiency goes up and material prices go down when producing large volume orders.

## Retail pricing

The retail price of a sportswear item is on average four to eight times the FOB price, which is called retail markup. It follows that the FOB price is on average 12,5%–25% of the retail price of the product. Exceptions do exist. In the budget market, some large European retail chains may sell products for a markup of just twice the FOB price. Retailers mark the FOB price up four to eight times because they need to account for import duties, transport, rent, marketing, overhead, stock keeping, markdowns, VAT (15%–27% in EU countries), among other costs.

According to [Eurostat's 2018 comparison of retail prices for apparel](#), France has the highest price level among the top six apparel and footwear importer countries at 109.9 points compared to the European average of 100, followed by Belgium (106.4), the Netherlands (106.3), Italy (101.1), Germany (99.1) and the UK (92.7). Note that brands and retailers that sell in multiple European countries usually keep prices equal or deviate only slightly from the standard retail price.


Online commerce and a strong budget segment intensely competitive have made consumers in Europe accustomed to low prices. Focus on sustainability and higher production costs have, at the same time, put manufacturers, suppliers and buyers under enormous price pressure. However, prices are expected to remain stable in the next three years thanks to increased efficiency, automation and production shifting to low-wage countries.


This study has been carried out on behalf of CBI by [FT Journalistiek](#).

Please review our [market information disclaimer](#).

Follow us for the latest updates

(opens in a new tab)  Twitter

(opens in a new tab)  Facebook

(opens in a new tab)  LinkedIn



[RSS](#)