

INSIDEINSIGHT™

SPORTS RETAIL NEWS AND ANALYSIS

The Rising Tide



Fueled by the buying habits of older Millennials and wealthier consumers, the tide of online apparel and accessory shopping is rising to new heights. The online apparel and accessories segment is forecast to add an incremental \$50 billion in sales over the next four years, \$9 billion alone in 2016.

Almost 35 percent of Millennials in the 25-34 age range today spend “most” of their apparel dollars online, a trend that took off in late 2014. This demographic is seen as “uniquely positioned” to influence Gen X and Baby Boomers. Additionally, 30-35 percent of \$120K+ households are increasingly making most of their apparel purchases online, helped by their easier access to credit and online payment mechanisms.

The beneficiary of these trends, according to recent Goldman Sachs’ research, will be Amazon; online apparel brands and retailers such as Revolve, Fabletics and Outdoor Voices that build successful marketing platforms

through social media and build third-party distribution via ecommerce platforms like Shopify; and the off-price banners of TJX, Ross Stores and Burlington. The biggest losers, meanwhile, will undoubtedly be mall-based apparel retailers and traditional retailers online.

Goldman Sachs, in its 26-page report, also points to growth in online marketplaces like eBay, Etsy and Poshmark, which specialize in out-of-season, scarce and vintage apparel and accessories, for driving the online purchase trend.

As for Amazon, its 2015 apparel and accessory sales approached \$10 billion, good enough to make it the category’s seventh largest retailer and largest online by a wide margin. Nonetheless, Goldman Sachs surmises that Amazon remains a “relatively small wholesale account” for the brands that sell them directly. Many other brands sell only a small portion of their portfolios to the online behemoth, or none at all. But, it’s “only a matter of time,” in Goldman Sachs’ words, before that changes since brands need to migrate to “where consumer traffic is.” ■



**LISTEN TO
THE PODCAST**



Charles Liberge, named President of Jones & Vining on July 1, discusses strategies designed to revitalize the iconic brand and allow the Brockton, MA, company to be competitive in today’s consumer driven marketplace, including a new approach to product R&D, marketing initiatives, and creating a full-service “brand-centric” business model.

Adidas

gives more design power to Kanye.

Sports Authority

secures extension to file bankruptcy plan.

Nike

is bullish about Direct-to-Consumer.

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FROM THE EDITOR



This segment has never seen anything like it, and its dynamic could establish all sorts of new marketing possibilities and infuse the category with a much needed shot of excitement.

Imagine the Possibility

As June faded into July, a couple of news developments had my speculative wheels turning. Phil Knight, 77, officially retired as chairman of Nike on June 30. Simultaneously, Apple CEO Tim Cook, a Nike director for more than a decade, was named The Swoosh's lead independent director in what was described in one report as "a minor seat switch-up."

I then learned that Apple was in talks with Jay Z to acquire his Tidal music service, which has 20 artist-owners in the fold each with two percent stakes.

If Cook is able to strike a deal with the rap mogul, could his negotiating savvy (and the promise of future and additional dollars) also sway Jay Z to get aboard the Nike train for his own signature line of sportswear and shoes? Or, at the least, sway him to deliver a stream of young artists for Nike to align its brand and products with for years to come. Tidal's current group includes Drake, Future, Chance The Rapper and Daft Punk.

Jay Z reportedly has some disdain for Apple, which could stand in the way of any partnership. But both Tidal and Apple have a common goal to surpass Spotify as the top streaming music service and that alone could outweigh any differences. Plus, Jay Z wants to get his artist-partners paid more and that's something Apple (and Nike too) could deliver.

Frankly, I'm not an expert on the work of Kanye and Jay Z, except that both men are talented in their fields and wildly popular among young adults worldwide.

But imagine the magnitude of a Kanye versus Jay Z battle in the ever-evolving, fashion and lifestyle-centric world of sportswear? The segment has never seen anything like it, and its dynamic could establish all sorts of new marketing possibilities and infuse the category with a much needed shot of excitement.

On the record, the folks in Beaverton would like you to believe that they only lead and never respond to a competitor's moves.

Nonetheless, it's hard for me to believe Nike is prepared to sit back and watch its German rivals in Puma and Adidas "strike gold" with Rihanna and Kanye without some sort of response.

11-Year Legal Battle Lives Another Day

In case you missed it, last week a federal appeals court in New York overturned a nearly four-year old, \$7.25 billion settlement between retailers and Visa and MasterCard related to allegations that credit card providers fix processing fee prices. A three-judge panel sent the case back to a lower court. ■

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HOT TOPICS

Rory McIlroy won't be in Rio for the Olympics next month.

Golf's Return May Be Short-Lived

After a 112-year absence, golf is slated to return to the modern Olympic Games next month in Rio in a 72-hole, stroke-play tournament for male and female fields of 60. But given the current aura, it may be for the next-to-last time.

Already guaranteed for the 2020 Tokyo Games, the International Olympic Committee is slated to vote on the sport's future inclusion in 2017. If that polling is based solely on participation and excitement coming out of Brazil, the IOC may be forced to take a pass despite the sport's international reach.

With exactly one month before Opening Ceremonies in Rio de Janeiro, six male golfers and one female have opted out of the Games — Jason Day, Rory McIlroy, Graeme McDowell, Vijay Singh, Brandon Grace, Marc Leishman and Lee-Anne Pace of South Africa. And an eighth, 22-year-old sensation and Under Armour endorser Jordan Spieth, was undecided.

"No what I do, it's already — there's already been enough players (withdrawing) that I think it'll definitely have an impact," Spieth recently said. "Pending some crazy, great finish or whatever, I think there's a significantly lower likelihood now of it staying in the Olympics than there was six months ago."

That certainly wasn't the sentiment in October 2009 when the IOC voted 63-27 to add golf back into the Olympics for the first time since the 1904 in St. Louis. For more than six years, golf insiders have talked positively about how the Olympic stage would be a positive for the sport and its ability to stretch its international presence beyond mature markets such as the U.S., U.K., Japan and South Korea.

Then the Zika virus and transportation and security issues with Brazil arose, not to mention the "tighter golf season" for male professionals brought about by the August Games.

Nike endorser and Ireland native Rory McIlroy, like the sport's top golfer in Aussie Jason Day, withdrew from Rio, citing the links between Zika and defects among newborns. He is planning to start a family with his fiancée, Erica Stoll.

"Even though the risk of infection from the Zika virus is considered low, it is a risk nonetheless and a risk I am unwilling to take," McIlroy said in a statement.

To date, Pace is the only female golfer to withdraw from Rio. That, according to the *New York Times*, may be because medaling in the Games is one of the few opportunities women golfers have to increase their profile. ■



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Perfect:



EMERGING



Pacific Rink Gear Supply is a lifestyle hockey brand with premium sport bags.

It's All In the Bag

Two SoCal brothers, each with strong bonds to the sport of hockey, abandoned their respective careers in healthcare management and insurance sales last fall to chase a dream — to create a lifestyle hockey brand rooted in a premium sport bag business. A supplemental soft goods line of Ts, headwear, fleece, jackets and women's items is infused with the surf, snow and skate culture of California.

“Bags are an afterthought by the big companies,” says Brad Serkin, 42, who has co-founded Pacific Rink Gear Supply Company with his brother Jason Withee, 35. “Maybe it’s because these companies make more money on sticks and skates. Or, maybe it’s because they (bags) are not a sexy product.”

The duo, who grew up in Redondo Beach, CA, playing street hockey every day after elementary school, idolizing Wayne Gretzky and regularly following the NHL’s Los Angeles Kings, want to fill a market void for athletes of all sports via a line of customizable, durable bags for carrying gear to and from the rink, pitch, slope, diamond or court.

But the ice game is clearly why Pacific Rink Gear Supply was born.

“The two of us live and breathe hockey so we fully understand there is a lot more to the lifestyle than just what takes place on the ice,” says Brad, whose two sons play the game. Jason, a player since his late 20s, grew his affinity for the sport after visiting his brother-in-law in Duluth, MN, and witnessing a pond hockey tournament.

After enlisting the help of a designer, the first prototypes of Pacific Rink Gear Supply Company bags were created in July 2015. And the pair set out gathering feedback from pro players to amateurs, asking about the best features and biggest complaints about their current bags. All the input was considered in the development of the company’s first two products — a Player Bag (\$179 MSRP) and Pond Pack (\$129 MSRP), a backpack style loaded with customizable straps, sleeves and compartments. At a Hockey Expo earlier this year, it quickly became a favorite of coaches and referees, who typically don’t tote as much equipment to the rink as a player.

It was the response to a one-month, \$10,000 Kickstarter campaign, launched June 14, that Brad says “validated” the Pacific Rink Gear Supply Company concept and product range. With nine days left, the effort raised more than \$41,500 as orders flowed in from 10 countries, including France, Australia and South Korea.

With initial distribution focused on both e-commerce and traditional hockey dealers, including the behemoths Hockey Giant, Hockey Monkey, Pure Hockey and Total Hockey, work is already underway on new bags for later this year and early 2017 — Goalie, Original Travel and Junior versions. And consumer feedback has the brothers pondering future bag incarnations for paintball, lacrosse, and even hunting. ■



The Pond Pack (top), \$129 MSRP
The Player Bag, \$179 MSRP

INSIDE RETAIL

Finish Line Sees ‘Trend Shift’ to Running

Senior management at the athletic specialty chain, which is working with key vendor partners to strengthen its merchandise assortments, says its business is “well positioned to capitalize on the renewed excitement in running” and strong trends in casual and retro footwear during the back-to-school and holiday selling seasons.

Finish Line’s first quarter sales rose 2.3 percent to \$453.5 million, ahead of Street guidance of \$450.0 million. Running sales increased low-single digits, helped by retro running, in the period ended May 28. Retro iterations of Nike’s Huarache, Max Air, Presto and the newest version of the Nike Free fueled the running segment growth.

Elsewhere, women’s, bolstered by strong demand for casual offerings, generated a high-single digit comp gain in the period. Key products included Adidas Superstars and Stan Smiths, Chuck Taylors from Converse, the Fierce and Fenty by Rihanna from Puma and Pegasus, Roshe and Huarache styles from Nike. Kids’ footwear comp sales rose mid-single digits on Jordan retro, Adidas Originals and Under Armour Curry basketball. Softness in apparel and accessories pushed the soft goods’ comp down double digits in the first quarter.

Sam Sato, Finish Line president, cited innovation in the Free, strong “early reads” on three or four Free styles that have hit retail since April and the upcoming Rio Games as factors that may help escalate the retailer’s running business in the second half.

Also, Finish Line is extremely bullish on Adidas, not only the Three Stripes’ retro and casual offerings, but also running products.

“The plans that we have with Adidas strategically from a product and go-to-market perspective are very robust and we think that the (Adidas) business will continue to grow with them in a significant way for the remainder of the year.”

Although Finish Line’s average selling prices, or ASPs, were flat in the first quarter, the retailer continues to believe they will be up one to three percent for the fiscal year on “flattish” brick-and-mortar traffic and a significant increase in online driven by mobile. Mobile comprised 62 percent of first quarter digital traffic, up 21 percent year-over-year.

On the brick-and-mortar front, Finish Line has commenced its “most ambitious store remodel program in years” that will begin with the opening of eight Chicagoland stores in July and 50 to 60 overall this fiscal year. Meanwhile, a previously announced plan to close up to 150 underperforming stores continued with six additional closures in the first quarter following the 54 last year. ■



Finish Line continues to believe average selling prices will be up one to three percent for its fiscal year.

IN THE NEWS

Sports Authority will close its Colorado corporate office on December 30.

Sports Authority Gets More Time to File Bankruptcy Plan

The retailer has been granted an extension until September 28 to formulate a bankruptcy plan detailing what proceeds will be available for distribution to creditors. Heading into Fourth of July weekend, multiple reports, none formally confirmed by the bankruptcy court or interested parties, said Dick's beat out U.K.-based Sports Direct International for Sports Authority's intellectual property, including its e-commerce website, with a bid of \$15 million to Sports Direct's \$13 million offer for the assets, which also included a list of 114 million Sports Authority customers.

The same reports said Dick's will pay an additional \$8 million to take over the leases of 31 Sports Authority stores, higher than market speculation that DKS would only bite on 17 locations at the June 29 court auction.

Some issues were confirmed by bankruptcy court filings:

- Sports Authority will officially shutter its Englewood, CO, corporate offices, which once employed nearly 900, on Dec. 30. But layoffs will commence there September 2.
- The retailer rejected 27 of its remaining leases on June 30, presumably because of a lack of outside interest. Sports Authority was prepared to exit the locations, leaving behind assets in the properties because it would be too costly to remove them. The stores were in: California, Washington, Colorado, Wyoming, Rhode Island, Minnesota, Illinois, Utah, Florida, Idaho, Arizona, Oregon and Hawaii.



Eric Liedtke, Adidas AG executive board member, and Kanye West.

Adidas Goes Further West

Adidas is going all in with Kanye West. The move, to give the rapper, creative artist and Mr. Kim Kardashian more control over the design and development of more Adidas footwear and apparel, could prove genius. Or, hugely flawed if either side ever demands a divorce from the partnership.

For now at least, the Three Stripes' decision to go all Jordan-esque with Kanye by expanding his Yeezy sway over the brand appears decidedly brilliant, particularly given fashion's ever-expanding influence on sportswear and the current reach of his popularity among young consumers worldwide.

Nearly two years after bolting from the Swoosh to develop the wildly popular Yeezy franchise for the Adidas Originals business, Kanye is being handed reins to develop performance-intended designs for both sport and street. Adidas is establishing a Kanye West business unit in Portland, OR, with a dedicated staff to support the effort. Given that the West creations will be housed in a separate SBU, the success of his incarnations should be incremental to Adi's franchise soccer and Originals' businesses but have little to no negative effect if they prove unsuccessful.

The expanded Adidas-Kanye partnership, whose financial magnitude is unknown, will also include retail stores in key markets for Adidas and West-developed products. West told the *Wall Street Journal* that he wants to get his unique styles on NFL and NBA players. Adidas told the publication that no such plans are in place yet, but inwardly has to love the idea of being able establish a stronger presence in the Nike-dominated leagues.

Nike Sees DTC Momentum; Clean N.A. Inventories

Faced with a rare quarterly revenue target miss, a rapidly evolving retail landscape and the need to defend its market share-dominant basketball business, Nike senior executives vowed the company is “on the offense as always” as fourth quarter and fiscal year results were reported.

Nike’s FY16 revenues grew six percent to \$32.4 billion, up 12 percent without the effects of currency, for the 12 months ended May 31. Global futures at year-end were eight percent higher, up 11 percent excluding currency effect but below a Street forecast of 13 percent growth.

Within North America, the Swoosh generated flat final period revenues of \$3,735 million as apparel (down two percent) and equipment sales (-10 percent) dipped and footwear revenues increased a modest two percent to \$2,367 million. For the fiscal year, North American revenues improved seven percent to more than \$14.7 billion as annual footwear sales rose nine percent to nearly \$9.3 billion and apparel increased eight percent to almost \$4.75 billion. North American futures were six percent higher.

Addressing recent market conditions for the brand in North America, senior executives confirmed “clean inventory levels” at wholesale and promised to keep in line retail supplies tight going forward as it utilizes its factory outlets and a “value” retail channel to move through excess merchandise in the first quarter that ends Aug. 31. It will likely take the company one or two more quarters to move through that merchandise, which will likely cause “more near-term gross margin pressure,” according to Cannacord Genuity.

Nike is bullish about ongoing growth in the Direct-to-Consumer channel and the company’s ability to bring massive innovation to its sportstyle products going forward as the brand helps “re-define” sports culture. Nike sportswear revenues grew 22 percent to \$8.1 billion in FY16. Nike.com, now available in 46 countries, grew revenues 46 percent last year as “significant investments” were made to “seamlessly integrate digital and physical retail.”

Overall DTC revenues expanded 25 percent, and a longer-term objective is to take Nike.com’s business to \$7 billion by 2020.

Meanwhile, a re-launch of the Nike+ app, initially planned for a June, is currently in beta mode for an official rollout later this summer, presumably around the Rio Games and in time to catch a wave from back-to-college and back-to-school. The company is promising personalized shopping, training options and experiences.

As for basketball, it generated two percent topline growth in FY16. But Nike executives expressed confidence in the category’s trajectory going forward, citing a strong pipeline that ranges from clean classics such as the Air Force 1 to modern performance shoes to the Kyrie 2. And the Jordan Brand, which will be expanded into additional footwear categories in FY17, is expected to drive basketball revenues worldwide.



Nike brand footwear sales approached 20 billion.

Nike

FY Ended May 31, 2016

Revenues

↑6%

\$32.38 Billion

Nike Brand Footwear Sales

↑8%

\$19.87 Billion

Nike Brand Apparel Sales

↑5%

\$9.07 Billion

Direct to Consumer Sales

↑18%

\$7.86 Billion

Nike Brand Futures

↑6%

North America

↑8%

Worldwide

IN THE NEWS



MLB All Stars will don special Majestic jerseys for the July 12 game in San Diego.

VF Corp. Divesting Contemporary Brands Unit

The sell-off of the 7 for All Mankind, Splendid and Ella Moss sportswear businesses to Tel Aviv, Israel-based Delta Galil Industries for \$120 million may signal the beginning of portfolio reshaping by VFC.

Earlier this year, The North Face and Vans parent said it was considering strategic alternatives for its licensed business, which includes Majestic Athletic, and there have been marketplace rumblings that the company is considering acquiring another major footwear business.

As for the Contemporary Brands' divestiture, the deal is scheduled to close in the third quarter, add more than \$300 million in annual sales to publicly traded Delta's top line and be accretive to its FY17 earnings.



Chuck Taylors scored a split-decision with the International Trade Commission.

ITC: 'Chuck' Doesn't Own Midsole Design Exclusivity

New Balance, Walmart and Skechers were each pleased by last month's International Trade Commission decision that found Nike-owned Converse's registered and common law trademarks for the Chuck Taylor midsole design are invalid. The independent federal agency did rule in favor of Converse and its trademarked diamond-pattern design, but added that other parts of the iconic sneaker do not have the same protections.

"While New Balance respects competitors' valid intellectual property rights and enforces its own trademarks in footwear, no single company owns the exclusive right to make classic athletic footwear," company spokesperson Amy Dow said. New Balance owns PF Flyers, the 80-year old classic American brand.

Meanwhile, Skechers said the ITC ruling found that its Twinkle Toes and BOBS product lines do not infringe on Converse trademarks.

Converse sued Skechers and 30 other firms for infringement in Oct. 2014, and the case went to trial before the ITC in August 2015. For its part, New Balance sued Converse in December 2014 in attempt to invalidate some trademarked features on All Stars.

Nike was determined in defeat. "While we do not agree with all of the ITC's findings, we feel confident our rights will be vindicated on appeal," Brian Fogarty, senior director of global intellectual property litigation for Nike told the *New York Times*.



No question, Titleist is the king of golf balls.

Acushnet IPO Could Raise \$300 Million

The Titleist and FootJoy parent filed its initial S-1 for a public sale of stock on June 20 and will use the stock symbol "GOLF" once its IPO is completed. Acushnet investors Fila Korea and Mirae Asset, which bought into the Fairhaven, MA, golf company for \$1.2 billion in a 2011 leveraged buyout, will reap the financial benefit of any IPO for Acushnet, which generated \$1.5 billion in 2015 revenues and achieves 70 percent of sales from dedicated golfers.

A June 30 SEC filing shows that 15 Acushnet and Fila senior executives, including Wally Uihlein, Acushnet president and CEO; David Maher, SVP-worldwide sales and international operations; Steve Pelisek, general manager; Jim Connor, president of FootJoy; and Yoon Soo "Gene" Yoon, Fila Global chairman and CEO, have collectively sold \$42.75 million in restricted stock units in the company.

Bidding War Brewing for Skullcandy

The publicly traded maker of earbuds and headphones has seen its stock price jump 30 percent since receiving two acquisition offers. The first, an all-cash deal for \$5.75 a share or about \$177 million, came from Incipio, the California accessory provider that has been on a buying spree since mid-2015.

A day later, Skullcandy, which had a seven percent rise in FY15 revenues to \$266.3 million, received an unsolicited offer of \$6.05 a share from Mill Road Capital. Executives at SKUL, whose shares opened at \$20 during a July 2011 IPO, say they will carefully review both offers before making a decision. The Mill Road bid is conditional on due diligence completion and financing.

Steiner Combining Divisions

Steiner, aiming to increase its global market share in electro-optics, is merging its eOptics (formerly Laser Devices Inc.) with its newly acquired STS unit (formerly part of O’Gara Group), into a new organization called Steiner eOptics that will be based in Miami, OH.

Both divisions design, develop and produce small, man-portable, electro-optical equipment in the U.S. Alan Page, a 20-year veteran of the electro-optic industry, who led the former O’Gara companies, STS Inc. and Diffraction Ltd. for the last decade, will serve as general manager of Steiner eOptics.

Under Armour Unveils the UA Lighthouse

The nearly 35,000-square-foot facility in South Baltimore, a former city bus repair shop, will serve as Under Armour’s new center for manufacturing and design innovation. The company says the Lighthouse, which employs 58 currently with plans for 100 staffers by year-end, will be its “guiding light” for developing best practices and efficient methods for how all of its products are made.

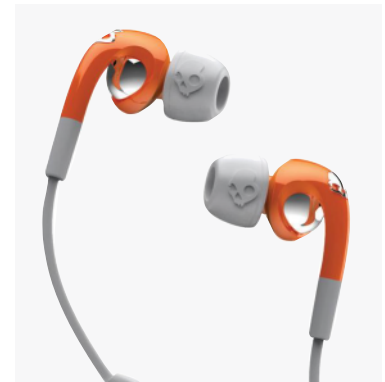
The company partnered with a number of organizations, including the University of Maryland’s engineering department, Dow Chemical and Bemis, to develop The UA Lighthouse. Technology in the space includes 3D design and body scanning and 3D printing and rapid prototyping.

New Balance Opens St. Louis DC, Boston Flagship

A new 165,000-square-foot distribution center in Earth City, MO, near St. Louis will employ 36 and process up to 60,000 e-commerce orders of footwear, apparel and accessories monthly for NewBalance.com, the company says. Process and efficiency improvement will enable same-day order fulfillment for most online customers.

In a separate development, New Balance has opened its first global flagship store at Boston Landing near its corporate headquarters.

“This store represents a huge shift for New Balance, and a real transformation of the retail experience for our consumers,” says Mark Johnson, the company’s global director of visual merchandising. ■



Skullcandy execs are listening to two offers for company.



Steiner is merging its eOptics and STS divisions.



Under Armour’s Lighthouse will shine light on design and U.S. manufacturing.

Photo Credit: Matt Ryo

MATCH-UP

The Eyes Have It

Tifosi and Sven Can See provide “Look” and “See” solutions with their latest products. One is rooted in fashion and the consumer’s desire to sport a fresh look around the eyes on a sunny day. The other product zeros in on a solution to a common problem – “fogged up” eyewear – whether on the ice, slope, field or golf course battling wet or humid conditions.



Tifosi’s new Swivelink Collection of eyewear in three styles – Marzen, Watkins and Highwire – due July 20 in outdoor retail, specialty run, independent bike and optical specialty retailers, allows the wearer to customize his or her look with interchangeable arms. MSRP: \$69.95-\$89.95.

Sven Can See is selling a spray-on formula. Through an invisible film, the product blocks water molecules from sticking to the surface to prevent the occurrence of “fogged” up eyewear down to four degrees Fahrenheit from readers and ski goggles to a shield on a running back’s helmet. MSRP: \$10.95.

IN & OUT

On The Move

Titleist-FootJoy, whose parent filed for \$100 million IPO last month, has hired Chris Lindner, president of Keds since Fall 2014, as a senior executive. Before Keds, he spent a brief stint as CMO for Sperry and prior as SVP–sales and marketing for Saucony. Lindner is regarded as major marketing talent with a solid understanding of digital media. Prior to joining the Stride-Rite brands that were later acquired by Wolverine Worldwide, he had senior marketing positions with Converse, Bauer Hockey and Electronic Arts, where he was credited with using digital outreach to connect with core consumers. When he joined Keds, he inherited an endorsement deal with Taylor Swift, pegged at \$20 million by marketing sources. Although the singer has more than 83 million Instagram followers, she apparently did little to boost the fortunes of the brand and was rarely photographed wearing the product, except in Keds’ ads.

Last summer, Lindner oversaw the launch of Keds’ “Ladies First Since 1916” campaign, which celebrated contemporary women and linked them back to the brand’s heritage. In February, Keds announced the formation of the Keds Collective – a group of inspiring women and brand ambassadors, including U.S. actress Allison Williams, musicians Ciara and Tori Kelly and K-pop star Krystal Jung – who are starring in its current campaigns.

In April on the opening day of golf season, Lindner Tweeted a photo of himself wearing new FootJoys with the message “Loving my new @FootJoy DryJoyTour shoes.” — *Mark Sullivan*

NFL Canada taps former Coca-Cola Canada and Molson executive David Thomson as managing director. He will be based in Toronto and charged with accelerating growth of the league north of the border and will report directly to Mark Waller, EVP–international for the NFL.

Macy’s has picked longtime company executive Jeff Gennette, 55, as its next CEO following the departure of current CEO Terry Lundgren in the first quarter of 2017. Gennette, who has a reputation as a trend spotter, is expected to focus on a number of initiatives. Among them: adding more “entertainment” to stores, simplifying the department store’s pricing structure and strengthening the chain’s merchandise assortments. He ascended to Macy’s president and Lundgren’s heir apparent in 2014 after five years as chief merchandising officer. His efforts in recent years have included leasing Macy’s floor space to Finish Line and the Lids Sports Group and promoting “power” brands via additional floor space and marketing dollars. ■



Chris Lindner is taking a swing with Titleist.



David Thomson tackles NFL Canada.



Jeff Gennette will take Macy’s helm in the first quarter of 2017.

NUMBERS IN PLAY
Week of 6/20-7/1

■ **Largest Gainers**

Retail

Finish Line: Recent stock performance has outpaced peers. So is last month's momentum against a prior year of lackluster results a tide shift?

Brands

Under Armour: Received a lot of positive press, including CEO Kevin Plank on cover of *Bloomberg Businessweek*, for its new Baltimore Lighthouse manufacturing and design center.

● **Largest Decliners**

Retail

Tilly's, Zumiez: ZUMZ recently deployed omni-channel order and fulfillment software that will give it faster, more accurate order fulfillment process. Still, these action sports banners are said to be continuing to lose online business to the likes of Amazon and Alibaba.

Brands

Fitbit: Shares lost 16 percent in June as brand faces new competition in fitness tracker market. Recently introduced a group of tools designed to help users improve their sleep consistency and overall health.

◆ **Other Notables**

Dick's: Winning bids in Sports Authority auction included six doors in Florida, two in Atlanta, two in Colorado, two in New York City and 14 in California.

The Inside Insight Index is our opinion of what we think are the 28 most important public companies in the industry, 14 vendors and 14 retailers. Space considerations prevent us from tracking more, but we will make changes over time.



Index base of 100 is key to the closing prices of 12/31/14

Retail: 79

↓ **21.10%**

	change over period
Big 5 Sporting Goods (BGFV) Price on 06/20/16\$8.85 Price on 07/01/16\$9.32	+5.31%
Cabela's (CAB) Price on 06/20/16\$49.48 Price on 07/01/16\$51.29	+3.66%
Dick's Sporting Goods (DKS) Price on 06/20/16\$40.89 Price on 07/01/16\$46.09	+12.7%
Finish Line (FINL) Price on 06/20/16\$17.42 Price on 07/01/16\$20.27	+16.3%
Foot Locker (FL) Price on 06/20/16\$53.72 Price on 07/01/16\$54.93	+2.25%
Genesco (GCO) Price on 06/20/16\$66.01 Price on 07/01/16\$64.54	-2.23%
Hibbett Sports (HIBB) Price on 06/20/16\$35.01 Price on 07/01/16\$34.46	-1.57%
Kohl's (KSS) Price on 06/20/16\$36.64 Price on 07/01/16\$38.00	+3.71%
Macy's (M) Price on 06/20/16\$33.21 Price on 07/01/16\$33.60	+1.17%
Sportsman's Warehouse (SPWH) Price on 06/20/16\$8.17 Price on 07/01/16\$8.29	+1.47%
Shoe Carnival (SCVL) Price on 06/20/16\$25.36 Price on 07/01/16\$25.61	+0.99%
Tilly's (TLYS) Price on 06/20/16\$6.02 Price on 07/01/16\$5.80	-3.65%
Walmart (WMT) Price on 06/20/16\$71.10 Price on 07/01/16\$72.81	+2.41%
Zumiez (ZUMZ) Price on 06/20/16\$15.08 Price on 07/01/16\$14.53	-3.65%

Brands: 94

↓ **5.60%**

	change over period
adidas (ADDYY) Price on 06/20/16\$68.89 Price on 07/01/16\$70.88	+2.89%
Amer Sports (AGPDY) Price on 06/20/16\$27.80 Price on 07/01/16\$27.22	-2.09%
Callaway (ELY) Price on 06/20/16\$10.36 Price on 07/01/16\$10.26	-0.97%
Columbia Sportwear (COLM) Price on 06/20/16\$58.86 Price on 07/01/16\$57.90	-1.63%
Deckers Brands (DECK) Price on 06/20/16\$57.46 Price on 07/01/16\$57.91	+0.78%
Fitbit (FIT) Price on 06/20/16\$13.18 Price on 07/01/16\$12.48	-5.31%
GoPro (GPRO) Price on 06/20/16\$10.85 Price on 07/01/16\$11.05	+1.84%
lululemon (LULU) Price on 06/20/16\$71.78 Price on 07/01/16\$73.96	+3.04%
Nike (NKE) Price on 06/20/16\$54.36 Price on 07/01/16\$55.61	+2.30%
Performance Sports Group (PSG) Price on 06/20/16\$3.06 Price on 07/01/16\$3.01	-1.63%
Skechers (SKX) Price on 06/20/16\$29.54 Price on 07/01/16\$29.40	-0.47%
Under Armour (UA) Price on 06/20/16\$38.11 Price on 07/01/16\$40.43	+6.09%
VF Corp. (VFC) Price on 06/20/16\$64.52 Price on 07/01/16\$62.30	-3.44%
Wolverine Worldwide (WWW) Price on 06/20/16\$20.47 Price on 07/01/16\$20.62	+0.73%

SPORTSTATS

Paint By Numbers: Acushnet Companies

\$100 MILLION

Aiming to raise this amount of money in IPO, but likely figure will be about \$300 million. 1078-page S-1 filed June 20.

\$46 MILLION

Amount spent on R&D in 2015.

\$330.6 MILLION

Top 10 customers accounted for approximately this much, or 22 percent of all revenues in FY15 versus 21 percent in FY14.

48%

Or an estimated \$721.4 million in FY15 revenues were generated outside the U.S. versus 48 percent, or \$738.1 million in FY14.

5.1%

U.S. sales rose this percentage to \$223.4 million in the first quarter ended March 31. Revenues in the EMEA, Japan and Korea were up 11.5%, 10.1% and 11.9%, respectively, during period.

6.2 MILLION

Number of "avid" golfers, those who play 25 or more rounds annually, in U.S. in 2015 versus 6.5 million in 2014.

\$390.8M

\$135.3M

\$420.8M

Sales of Titleist golf clubs (26%) of total; Sales of golf gear (9%); and sales of FootJoy (28% of total) in FY15.

1200

300+

284

Holds nearly this many active patents in golf balls; this many for golf clubs, wedges and putters; and this many for golf shoes and gloves.

1932

Entered the golf ball business.

POP CULTURE

The Social Scene



Adidas certainly hopes it rains dollars and profits from more Kanye.



Barbour brings its luxurious goods to cruise ship voyagers.



New Era takes cap-style in a new direction with The Troppin Hot 9Fifty.



Saucony brings summer popsicle colors to running shoes.



Olympic spirit with gold, silver and bronze kicks.



NBA jersey all-time best sellers by draft position.



Nike babydoll dresses for Wimbledon created buzz, and "a hot mess."