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ISSUE 1312
MARCH 25, 2013

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THIS PAGE: Photo courtesy New Balance
ON THE COVER: New Balance 3D printing.
Photo courtesy New Balance.

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MOVERS & SHAKERS

2XU, the maker of performance athletic apparel, appointed **Kevin Roberts** as chief executive officer. Roberts, who has 20 years of experience in the sporting goods and retail industries, will spearhead the brand's expansion.

Skullcandy, Inc.'s board of directors appointed **Hoby Darling** as president and CEO effective immediately.

Zoot Sports, the maker of performance apparel, wetzoots, footwear and accessories, named **Erik Vervloet** as its vice president and general manager. Vervloet has worked as vice president of sports marketing for K-Swiss and most recently as chief marketing officer for the World Triathlon Corporation (WTC).

Division Six Sports, Inc. hired **Robert Kimmell** as chief merchandising officer and Alan Katz as national account manager.

Dick's Sporting Goods said longtime independent director **Walter Rossi** will leave its board of directors in June. No reason was given for his departure.

Yakima Products, Inc. has hired **Jason McGibbon** as senior director of sales, North America. McGibbon will also be a member of Yakima's executive team.

Life is good will relocate its company headquarters to a 21,682-square-foot lease at 51 Melcher Street in Boston, MA's Innovation District. **NAI Hunneman**, a leading provider of commercial real estate services, represented Life is good in facilitating the move.



Tim Ferriss explains the importance of connecting with the outdoors and his 4 Fundamentals of Outside Fitness. Click to play.

MERRELL RECRUITS TIM FERRISS FOR M-CONNECT LAUNCH

Merrell has partnered with Tim Ferriss, author of the *New York Times* best seller *The 4-Hour Workweek*, to help launch its new M-Connect Series of minimal shoes. The "Connect To Your World" campaign comes to life with the 4 Fundamentals of Outside Fitness, a 4-step fitness program, designed by Ferriss, that engages the whole body for maximum benefit through connection with the outside.

The overall campaign celebrates the benefits of getting outside and being in touch with your surroundings. It carries through all facets of Merrell - on-the-ground activation for all people and a minimalist product approach in M-Connect Series.

"Connection to me means being aware of your surroundings, as well as being present in your own body as it relates to your surroundings," said Ferriss, also the author of *The 4-Hour Body* and *The 4-Hour Chef*. "If people take away just one thing from this program, it should be this: fitness needs to be simple and elegant in order to motivate the most people. I developed the 4 Fundamentals with a minimalist approach, focusing on the power of connection to the outdoors, which I hope will get people away from screens and immersed in nature... even if just for a short break."

The "Connect to Your World" campaign will come to life through multiple worlds demonstrating the beauty of the outside and the benefits a person gets from that connection. The worlds will be seen in-store, online and through advertising visually demonstrating the beauty of the world and the benefits of connection. Through the entire "Connect to Your World" campaign, Merrell plans to visually and socially demonstrate to people the importance of reconnecting with the outside and each other.

The ad campaign, created by Boston ad agency Hill Holliday, is scheduled to run in 150 countries. A video in the campaign suggests that running outdoors is far more fun and invigorating than logging dreary miles on an indoor treadmill, especially if outdoor runners are shod in Merrell shoes.

M-Connect will mark the largest launch in Merrell's 30-year history. Building on the success of its Barefoot series, M-Connect Series includes four collections that are designed to enable ground connection but are built on different platforms based on activity - from Barefoot and Bare Access to Multi-Run with Mix Master and Multi-Hike with Proterra. All are built with agility in mind and range from zero to 4mm heel-to-toe drop and graded cushioning for enhanced ground response and necessary protection dependent on end-use and terrain.



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LULULEMON LOWERS GUIDANCE ON RECALL

Lululemon Athletica lowered its guidance for the first quarter after announcing a massive recall of a large portion of its yoga pants. The recall of the *Black Luon Yoga Pants*, which were unintentionally see-through, amounts to 17 percent of all women's pants sold in its stores.

"The ingredients, weight and longevity qualities of the pants remain the same, but the coverage does not, resulting in a level of sheerness in some of our women's black Luon bottoms that falls short of our very high standards," the company said in a statement.

In reporting fourth-quarter earnings, Lululemon said that due to the recall, it now expects a comparable-store sales percentage increase between 5 percent and 8 percent on a constant-dollar basis with sales expected to range from \$333 million to \$343 million. Up to March 17, comparable-store sales in the first quarter were tracking to an increase of 11 percent on a constant dollar basis with expected revenue guidance heading to a range of \$350 million to \$355 million.

Diluted EPS is expected to be in the range of 28 to 30 cents a share, down from Wall Street's consensus estimate of 40 cents a share. In the 2012 first quarter, it earned 32 cents a share.

The recall's negative impact on the first quarter was estimated at 11 cents to 12 cents a share. The guidance reflects lost revenue in the range of \$12 million to \$17 million with additional costs expected to be incurred and the write down of affected product on hand and expected to be received during the first half of 2013.

For fiscal 2013, the recall is expected to lead to a negative impact on earnings of 25 to 27 cents a share. The loss reflects lost revenue in the range of \$57 million to \$67 million. It now expects

revenues for the full year to come in the range of \$1.615 billion to \$1.640 billion and EPS between \$1.95 to \$1.99.

Investors bid down LULU shares after the announcement with analysts noting that the recall marked the fourth quality control problem at the company in the last year. The chain has also faced numerous supply chain challenges in recent years as its rapid growth has led to shortages.

Several analysts questioned whether the rapidly growing company has outgrown its capacity to monitor its offshore factories. Lululemon said in its statement, "We have used the same manufacturing partner on key fabrics since 2004. This event is not the result of changing manufacturers or quality of ingredients. We are working closely with them to understand what happened during the period this fabric was made."

Lululemon is now offering affected customers full refunds or exchanges while also warning of an impending shortage of black yoga pants.



Lululemon
Athletica, Inc.
(LULU) CEO
Christine Day.

"We regret any inconvenience this has caused for our guests," said Lululemon CEO Christine Day, in a statement. "It is always our first priority to protect the quality of our fabrics that keep our guests so loyal to our products. We will accept nothing less than the very highest quality we are known for."

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BY THE NUMBERS

16%

Nike, Inc. reported net income from continuing operations increased 16 percent with the help of gross margin expansion and a lower tax rate. Revenues from continuing operations rose 9 percent in its third quarter ended February 28 to \$6.2 billion, up 10 percent excluding currency changes. Worldwide futures orders were up 6 percent, or 7 percent growth excluding currency changes.

\$29.01 million

REI reported net income of \$29.01 million for the year-ended December 31, 2012, down 3.9 percent from a year earlier, after increasing its patronage dividend to co-op members by 9.0 percent to \$89.3 million. Sales reached \$1.93 billion, up 7.3 percent from 2011. Gross profit increased 4.5 percent to \$802.6 million, or 41.5 percent of net sales, down 9 basis points from a year earlier. The company spent \$68.5 million on advertising in 2012, up 14.0 percent from 2011.

\$228.0 million

Pacific Sunwear of California, Inc. announced that net sales from continuing operations for the fourth quarter of fiscal 2012 ended February 2 were \$228.0 million versus net sales from continuing operations of \$218.7 million a year ago. On a GAAP basis, the company reported a loss from continuing operations of \$22.5 million, or 33 cents per diluted share, for the fourth quarter of fiscal 2012, compared to a loss from continuing operations of \$26.7 million, or 39 cents per diluted share, for the fourth quarter of fiscal 2011.



From left to right - John Perenchio, chairman, Scott Montgomery, CEO, and Mike Herlinger, founder. Photo courtesy Club Ride

CLUB RIDE APPAREL EXPANDS INTO URBAN PERFORMANCE LIFESTYLE



Scott Montgomery, CEO of Club Ride Apparel, shows highlights from the 2013 collection. Click to play.

Now in its fifth year of attempting to change the way people perceive and purchase cycling garb, Club Ride Apparel is expanding its reach. Known for their western influenced, technical-casual riding jerseys, the Sun Valley, ID-based manufacturer introduced its new Sub5 Urban line last week. All 500 of its nationwide specialty retailers will have access

to the new line as Club Ride strives to become the lifestyle brand for all types of cyclists.

Developed primarily around the growing commuter segment, the Sub5 line combines clean, understated aesthetics with functional, cycling influenced fit and fabrics.

The men's line features dressy button-down jerseys constructed from a poly-spandex blend, breathable eight-oz. denim jeans, a foul-weather softshell pant and short, and a sleek, stylish softshell jacket. On the women's side, simple lightweight tops feature well-placed pockets and hip form-fitting cuts, while a long-cut short and softshell pant round out the fashion-forward line. A fall-winter line will introduce additions to both the men's and women's lineup.

"We are quickly growing our brand awareness in all aspects of the bicycle world. We have developed from the mountain bike side, but our Sub5 line is what will give the brand a much broader appeal to everyday cyclists all over the world," said CEO Scott Montgomery.

As the Club Ride brand continues to grow, so does its staff. "Our office has grown significantly so far this year, with Kelli Lusk as our Customer Service Manager and our new marketing manager, Jordan Carr," said Montgomery. "We're all in at this point and I am super excited for the future of the brand." Check them out at clubrideapparel.com



TELLURIDE VENTURE ACCELERATOR FOUNDED TO STIR ECONOMIC GROWTH

Grants focus on driving outdoor industry entrepreneurialism in the Telluride valley

In an attempt to break away from the traditional and unpredictable local resort-town economy drivers of tourism and real estate sales, the town of Telluride has taken matters into its own hands. After the Great Recession of 2008-2009, local leaders realized they couldn't just sit back on their haunches like so many had done throughout the booming 1990s.

The Telluride Venture Accelerator (TVA) was founded through grants from the Telluride Foundation and other interested parties to help start-ups in the outdoor space not only get funding, but the business mentoring they need to be successful in today's competitive landscape.

Paul Major of the Telluride Foundation believes that entrepreneurial activity is a proven driver of economic activity, and that's exactly what the TVA aims to improve - the number of local entrepreneurs creating businesses and jobs in the Telluride valley. Using an accelerator model much like that of Silicon Valley in California, their goal is to "create more economic activity in Telluride," with a series of programs and grants as well as a unique mentoring program.

The Telluride Foundation is a nonprofit, political community foundation that provides year-round support for local organizations involved in arts, education, athletics, charitable causes, land conservation and other community-based efforts through technical assistance, education and grant making.

Verde PR & Consulting has come on board to help promote the inaugural accelerator program, and Verde's Kristen Ogden Carpenter is also serving as one of the mentors. As this may be the first accelerator specializing in the outdoor recreation, tourism, natural products, health, energy, water and education industries - all business segments crucial to life in Telluride - TVA will utilize Verde's expertise in integration of brand communications, public relations and social/digital communications strategies for the first four participating companies.

TVA's inaugural program companies include Hoggle Goggle, High Desert Farms, Globa.li and Hyperlite Mountain Gear. These companies will receive intensive business mentoring; a co-working space at The Peaks Resort; a \$30,000 investment (plus up to an additional \$8,000 for travel and lodging); \$100,000 in free services from companies like Microsoft and Amazon; access to two successful entrepreneurs-in-residence; and access to Telluride's angel investment community.

Verde joins a prestigious group of more than 50 mentors including the former head of marketing for Burton, the former CEO of Hotels.com, the founder of IZZE Beverages, the former COO of Groupon.com and others.

"This is a unique opportunity to give back to an industry that has given us so much over the last decade," said Carpenter-Ogden. "It will be exciting to help nurture and guide these start ups." For more information about the Telluride Venture Accelerator visit tellurideva.com.



2013 ACCELERATOR WINNERS

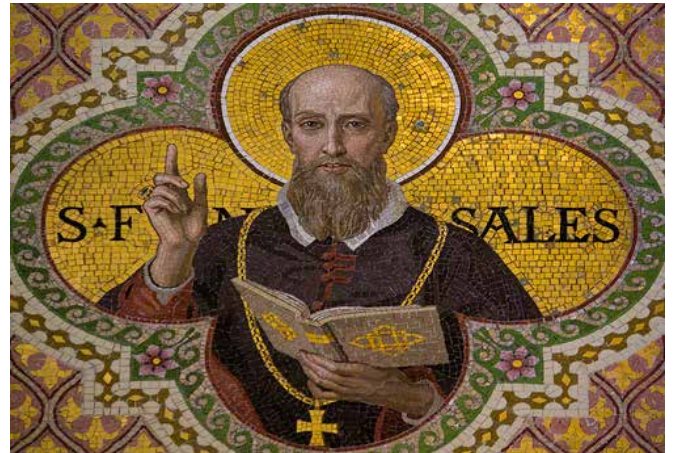
GLOBA.LI, based in Denver, is leading disintermediation of the African travel industry, and carving out a piece of the strong and growing \$313 billion online travel market.

HOGGLE GOGGLE, founded by Telluride local Lara Young, the company creates ski and outdoor accessories with function and aesthetics that fill a void in the outdoor industry.

HIGH DESERT FARMS, based in Dolores, CO, is a start-up natural and organic foods company offering consumers healthy premium dried fruit snacks. The company was founded by Bill Manning, COO.

HYPERLITE MOUNTAIN GEAR based in Maine, designs, manufactures, and sells high-tech ultralight outdoor gear led by founder Mike St. Pierre.





AND1 Aids St. Francis de Sales Summer Basketball

AND1 jumpstarts a restoration fund for the St. Francis de Sales Summer Classic, a basketball program that has been running for the past 25 years in Far Rockaway, NY, hard hit by Hurricane Sandy last October.

By Thomas J. Ryan

The AND1 brand announced that it would provide youth basketball apparel and donate seed money to help rebuild the St. Francis de Sales summer basketball program in Belle Harbor, NY. The Rockaway peninsula parish's outdoor basketball courts, which serve over 1,000 youngsters from the New York area, were destroyed during Super Storm Sandy on October 29.

The AND1 apparel and a \$5,000 donation to help restore the flood-ravaged outdoor courts will give the legendary basketball summer program a much-needed boost as the warmer weather approaches and basketball campers prepare for their annual ritual of playing at basketball camp in The Rockaways.

AND1, the basketball footwear brand acquired by Galaxy International from Brown Shoe in August 2011, recently began its own re-launch in celebration of the brand's 20th anniversary.

"There are few communities anywhere in the country where basketball is so tightly woven into its fabric than the Rockaways, and there are even fewer legendary summer programs than those at St. Francis de Sales," said Maurice Levy, marketing director for AND1. "This donation of apparel and seed money will be a good step towards helping heal a community on the rebound, where basketball is so important. AND1 has always been about using the game as a metaphor to never give up in life, and we believe that mantra mirrors the values of the hoops culture of the Rockaways. By working together, we can help some very deserving basketball campers and their hard-working families."

"St. Francis is the backbone of the community in the Rockaways, but it is also the summer basketball home for everyone from Dick McGuire and Julius Erving to Chris Mullin, Mark Jackson and thousands of



young people who play on these courts from morning until night every day," added Terence Mullin, camp director and coach for St. Francis de Sales. "This assist by AND1, a brand that has always understood the power of basketball culture, will give us a much-needed boost as our kids return to the courts and the youth programs this summer. They understand the value of keeping kids active through a sport like basketball, and now we will again have the ability to do that."

The \$5,000 would jumpstart a new campaign with a goal to raise \$100,000 to fully restore the damaged grounds and basketball courts. AND1 will provide uniforms for the participants in the summer league program which tips-off in June. The St. Francis de Sales Summer League annually plays host to over 1,000 young players, ages five to 18, known as one of New York's most vibrant Catholic Youth Organization (CYO) programs. Many of the sport's rising young high school and collegiate stars play summer basketball in Rockaway, the summertime home to organized basketball for over 70 years. ■



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NEW BALANCE BOOSTS CUSTOMIZATION



WITH 3D PRINTING

By Thomas J. Ryan



Using 3D technology, New Balance customizes high performance running shoes for athletes.



New Balance leads the way in printing innovation with a new form of 3D printing. Click to play.

New Balance is using 3D printing to customize high performance running shoes for athletes. New Balance said it has developed a proprietary process for utilizing a runner's individual biomechanical data to create hyper-customized spike plates designed to improve performance.

The process requires race-simulation biomechanical data which the New Balance Sports Research Lab collects using a force plate, in-shoe sensors, and a motion capture system. Advanced algorithms and software are then applied to translate this data into custom 3D printed spike designs.

For the production of the custom plates, New Balance uses Selective Laser Sintering (SLS) to convert powder materials into solid cross-sections, layer by layer using a laser. SLS printing enables the customization process by allowing for complex designs that could not be achieved through traditional manufacturing methods. Additionally, SLS printing greatly accelerates the turnaround time from design to functional part.

New Balance athletes involved in the development of this process included: 2008 and 2012 U.S. Olympic Athlete and current 1500m World Champion gold medalist Jenny Barringer Simpson, 2012 U.S. Olympic Athlete Kim Conley, 2012 Great Britain Olympic Athlete Barbara Parker and four-time, All-American runner in the 800m, 1500m and the mile Jack Bolas. These athletes provided key feedback in order to develop spike plates that spoke to each individual athlete's personal preference, biomechanics and specific race needs.

The 4:01.44 indoor mile Bolas ran at the New Balance Games in New York on January 26 reportedly represented the first time a professional athlete ran a race in 3D printed equipment.



All-American runner Jack Bolas became the first ever track athlete to run a race in 3D printed spikes from New Balance. Photo courtesy of New Balance.



“Utilizing our Team New Balance Athletes to develop the customization process was extremely helpful,” said Sean Murphy, New Balance’s senior manager of innovation and engineering. “We are impressed with their precise ability to identify and speak to the differences in the custom options provided. They are acutely aware of what is happening in their shoes”.

In addition to printing semi-rigid parts like spike plates for track runners, New Balance is working on softer SLS printed components that mimic the cushioning properties of foam midsoles. This initiative will be critical to bringing the customization process to a broader audience of athletes.

The technology isn’t yet available to consumers, but New Balance said it may eventually be able to print custom midsoles based on a runner’s weight, running style and cushioning preference. A completely 3D printed, with no traditional cloth upper, has been tested.



New Balance President and
CEO Robert DeMartini

“With 3D printing we are able to pursue performance customization at a new level to help our elite New Balance athletes and eventually all athletes. We believe this is the future of performance footwear and we are excited to bring this to consumers,” said New Balance’s President and CEO Robert DeMartini.

“As the only major athletic brand to manufacture shoes in the U.S., we are proud to invest in American workers. Developing our printing capabilities could ultimately help

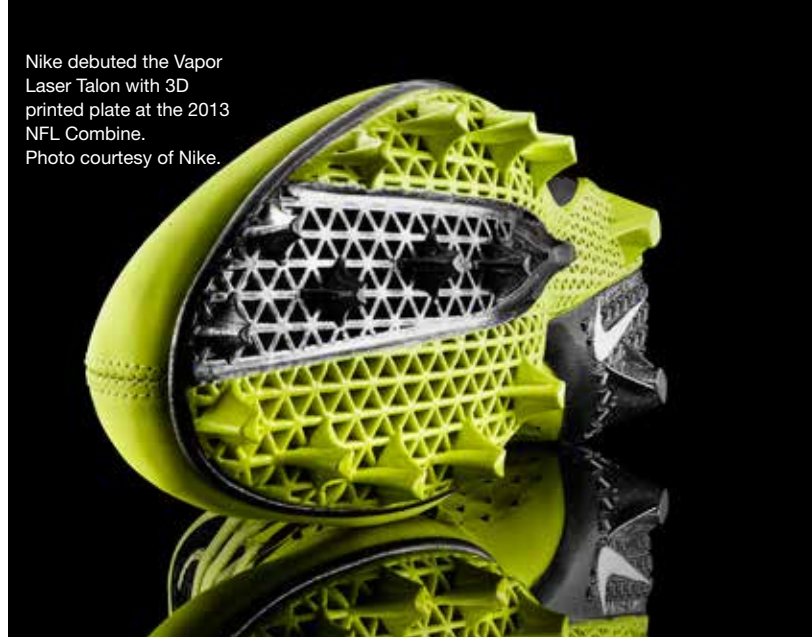
us further invest in the American worker by adding highly technical positions to our already skilled labor force in Massachusetts and Maine,” said DeMartini.

Last month, Nike launched their 3D printed football cleats with the launch of the Nike Vapor Laser Talon. Nike designers worked with elite trainers within Nike SPARQ as well as legendary gold medal sprinter Michael Johnson to understand how he and his team at Michael Johnson Performance train football athletes in the 40-yard dash, a critical metric at the NFL Combine.

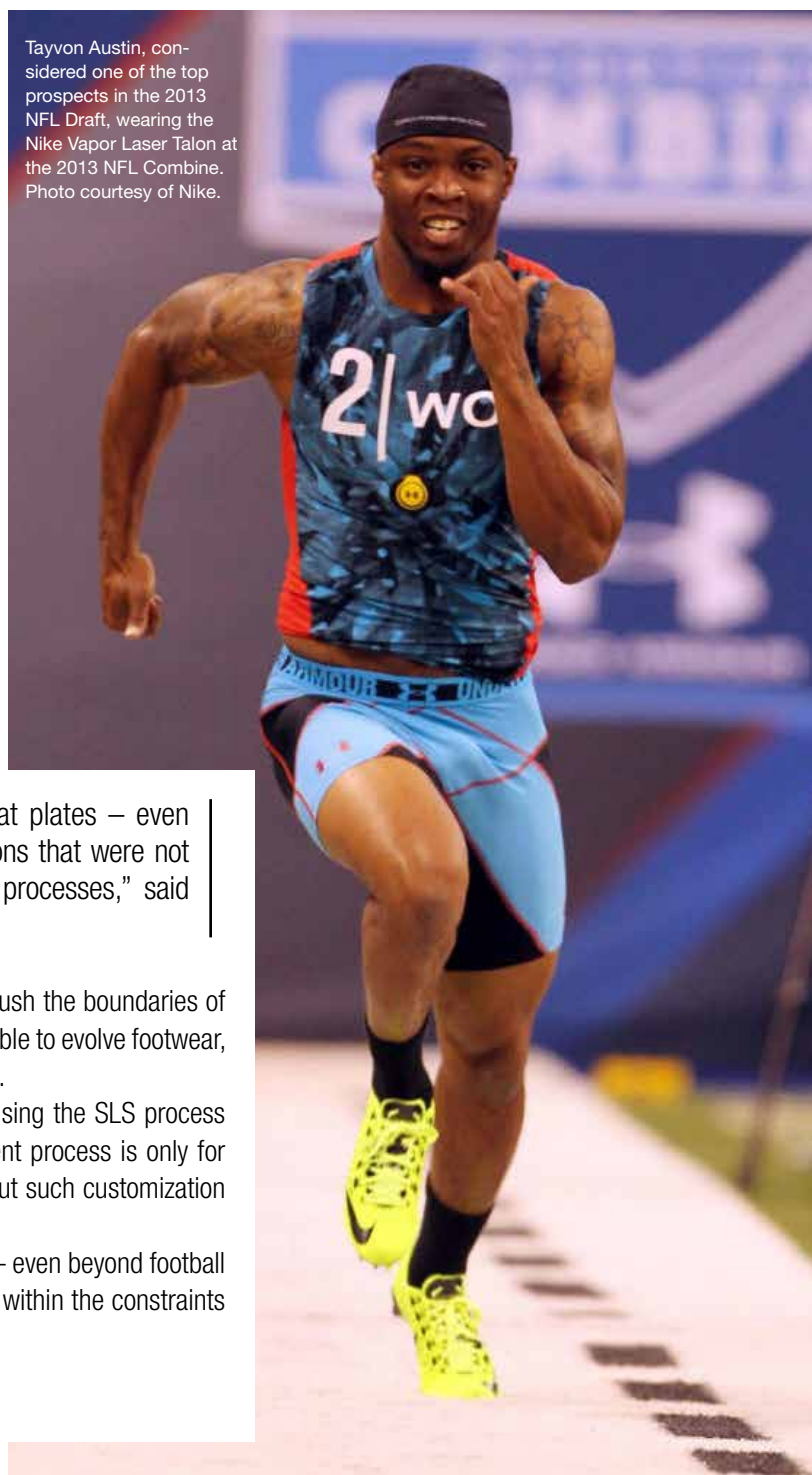
Like New Balance, the plate of the Nike Vapor Laser Talon is similarly crafted using Selective Laser Sintering technology (SLS), becoming football’s first 3D-printed plate.

Through proprietary material selection, Nike was able to prototype a fully functional plate and traction system within a fraction of the traditional timeframe and at a fraction of the weight. Nike said the SLS process allows for the engineering and creation of shapes not possible in traditional manufacturing processes. It also provides the ability to make design updates within hours instead of months to accelerate the innovation process to never seen speeds.

Nike debuted the Vapor Laser Talon with 3D printed plate at the 2013 NFL Combine. Photo courtesy of Nike.



Tayvon Austin, considered one of the top prospects in the 2013 NFL Draft, wearing the Nike Vapor Laser Talon at the 2013 NFL Combine. Photo courtesy of Nike.



Shane Kohatsu
director of
Nike footwear
innovation

“SLS technology has revolutionized the way we design cleat plates – even beyond football – and gives Nike the ability to create solutions that were not possible within the constraints of traditional manufacturing processes,” said Shane Kohatsu, director of Nike footwear innovation.

The way athletes train continues to evolve, and Nike continues to push the boundaries of innovation even further. By listening to the voice of the athlete, Nike is able to evolve footwear, apparel and equipment to help athletes achieve their highest potential.

Nike said the ability to produce, previously unattainable shapes, using the SLS process has great advantages for the long distance runner. Though the current process is only for elite athletes, Nike likewise said if it proves successful, it would roll out such customization to amateurs as well.

“SLS technology has revolutionized the way we design cleat plates – even beyond football – and gives Nike the ability to create solutions that were not possible within the constraints of traditional manufacturing processes,” said Kohatsu. ■



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The Women's Running Opportunity

THE RUN SPECIALTY CHANNEL HAS CAPITALIZED ON THE BOOM IN WOMEN COMING TO THE SPORT. By Thomas J. Ryan

Editors Note: This is the second of a two-part series exploring the women's opportunity in the running category. The first installment appeared in SGB Weekly, March 11 Issue.



According to Running USA's 2013 National Runner Survey, women runners now surpass males in participation in the sport by a 56 percent to 44 percent margin.

In races, women made up 42 percent of full-marathon participants in 2012, up from only 11 percent in 1980. And they account for about 60 percent of participants in half marathons, the fastest growing road race distance in America since 2003

The boom in participation numbers among women is being driven by an increase in training programs and running clubs at running specialty stores that are linked to the larger events. The social aspect of the running groups especially appeals to women.

“The event is often seen as a cumulation of a journey that began with the first run with a group of like-minded individuals,” said Damian McCusker, Asics’ running specialty sales manager. “The desire to replicate that process and the support group that helps foster that motivation has helped to drive the larger participation numbers.”

McCusker believes such community engagement will continue to be a major focal point around building a social platform to attract like-minded female consumers. Said McCusker, “The retail store will become a springboard for female runners who are seeking to complete their first 5K, attack a marathon training program, or complete a weekly boot camp and that resource epicenter will foster a level of trust and appreciation that will lead to increased foot traffic, increased consumer loyalty and retention.”

With its vibrant growth in recent years, the run specialty channel has capitalized on the boon in women coming to the sport. Besides the running groups, female runners have been welcomed with broader assortments, cleaner stores and staffs able to handle bra fittings and much more.

“The economic power of women runners continues to grow, further

leading athletic footwear and apparel companies, as well as run specialty retailers, to expand their focus on the ever-growing demographic of women runners," said Sharon Barbano, VP, public relations and events at Saucony. "The explosion of running groups and clubs has been especially fueled by women who value the camaraderie, community and sense of nurturing a group of running friends can offer. Now is a tremendous opportunity for retailers to connect with women by sponsoring running groups, clinics and even blogs specifically for women."



Sharon Barbano, VP, public relations and events at Saucony.

Yet while making strides, many run specialty stores can still take steps to make their stores more appealing and approaches more suitable to women.

Footwear, for instance, has fared better than apparel, which sees a much higher level of competition from non-traditional performance apparel brands. But McCusker sees many stores making progress in the category by making the stores more inviting to women.

"More and more running specialty accounts are beginning to broaden their assortment and change their merchandising schemes to make their environments more attractive to the female consumer," said McCusker. "Selection and service are still key and running specialty is certainly taking all of the necessary steps to meet the needs of that consumer."

At the associated level, Barbano advises against over-selling the

technical aspects of product to women.

"A woman's purchasing decision is based on how a certain product will improve her life," said Barbano. "Talking about running shoe components and apparel wicking properties is important, especially for today's highly researched female consumer. But what are the actual benefits of these technologies? Better protection to stay injury free? A lifetime of fitness, self-confidence, inner-strength? Communicate the benefit of the benefit. This is what women are connecting with, not a running shoe on a shelf with a price sticker."

Barbano added that it is critical to empower every retail associate, male and female, to know their products and deliver top-quality service.

"I believe that run specialty retailers are doing a good job at this,

especially with the sensitive job of helping women find the right sports bra," Barbano added. "Female customers who do pre-shopping research get upset when they walk into a store and know more about the products than the store associate. The retailer then loses credibility when credibility is an important shortcut in the consumer's decision-making process."

Heather Cvitkovic, senior product line manager, Moving Comfort, believes run specialty continues to provide a strong retail presence when it comes to merchandising sports bras. Over the past three years, Moving Comfort has worked to help create merchandising areas on the wall, in an effort to provide women the best possible sports bra shopping experience. In apparel, Moving Comfort has seen a growth in private label offerings, typically at a lower price point.



Heather Cvitkovic, senior product line manager, Moving Comfort

The overall apparel business, however, across the run specialty channel has been flat for a while now, whereas national/vertical retailers are continuing to grow.

"Clearly there is an opportunity for the specialty industry to take a closer look at the running trend of their female customer," said Cvitkovic.

Cvitkovic said Moving Comfort's consumer research shows that running continues to offer the highest participation rate, but more women are also incorporating running as part of their overall fitness routine. The research also shows that women are very active in the gym, at boot camp classes, and in the studio.

Digging deeper, consumer insights tell us that younger women and women new to the running experience don't identify themselves as a 'runner.'

"These women work out, and running is part of their fitness routine," said Cvitkovic. "They enjoy versatility both in their workout and their apparel. This customer is not as concerned about sport-specific product. Instead, she is looking for workout apparel that can cross-function through all her fitness routines, and make her look, and feel, great while she is doing them."

Stepping back and analyzing product and brand assortment is going to be critical to the specialty industry's growth moving forward, according to Cvitkovic. She added, "If specialty run retailers are open to finding creative ways to market and address activities beyond the 'run,' we are confident it would move the needle."

Claire Wood, New Balance's senior product manager, in the same vein said that the 'woman runner' doesn't just include women who exclusively run, but women who practice yoga regularly, weight train, and take fitness classes in addition to running.



Damian McCusker, Asics' running specialty sales manager



Photo courtesy of Salomon



Claire Wood,
New Balance's
senior product
manager,

“New Balance defines the runner as anyone who runs,” said Wood. “Women are recognizing that they are runners in addition to being a yogi, a kick boxer, etc. It’s healthy and fun for the industry.”

Around product, Wood noted that the overall female runner in general is more open to new information as well as more exposed to new information.

“Women especially have become much more curious about technology and open to change,” said Wood. “With women especially, the fashion aspect has significantly helped evolve the industry and challenges us to create performance footwear that is not only functionally, purposeful and performance geared but stunning in design and on trend with color. Materials today make female runners feel better in what they are wearing and therefore more capable in their endeavors.”

Kevin Adams, New Balance’s channel sales manager, believes the channel is removing barriers to make their stores friendly to the new female runner who participates in many activities. Women-only training groups, fashion shopping nights, and the promotion of women-only races are part of these efforts. New Balance also supports this push with services such as ‘Good Form Running,’ which helps new runners improve their running form and prevent injuries.

Also helping is stores renovating their looks and layout to become more like boutiques with merchandising efforts. Such spruced-up environments are making women more comfortable while they shop and more confident in asking advice on training, nutrition, and injuries.

“Specialty stores are doing a great job telling full head-to-toe stories,” said Adams. “There are specific bra fitting areas and the fashion inspired merchandising helps female consumers purchase shoes, socks and apparel that make them feel beautiful as well as meet their athletic needs.”

Sally Bergesen, founder of Oiselle, the women’s apparel company, believes that overall, the running specialty channel still needs some work in improving the experience for women in its stores.



Photo courtesy of Moving Comfort

“When they do it well, the displays are well-merchandized, there’s good use of lighting and tables and dimension,” said Bergesen. “When it’s not done well, it’s grid wall and roundabouts, with the same major brands they can shop at big box stores.”

She said women want to be “delighted in the shopping experience,” with a nice-looking store and well-presented product. Bergesen added, “And then the product itself has to sing. Not just a check box performance piece, but also something that catches her eye from a style standpoint.”



Sally Bergesen, founder of Oiselle

She believes crossover tops, hoodies, pants, etc. – items that work for run and life - are currently the sweet spot.

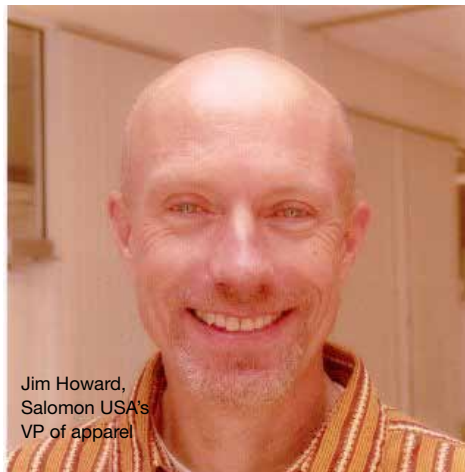
“The new crop of women runners are looking for ways to get more serious in their running gear, but also ways to look fit and healthy AND stylish in their everyday life,” noted Bergesen.

“We only spend an hour or so running (if that), so the big opportunity is for the other 23 hours. A just right mix of great fabrics,



modern silhouettes, and ways to piece it all together makes the running apparel shopping experience about more than her sport. Running = athlete = lifestyle.”

Jim Howard, Salomon USA's VP of apparel, said specialty run shops don't have as much wall or rack space as department stores or box stores, so they have to make important decisions when bringing in women's running apparel. But he agreed that the opportunity remains that by bringing more of a comfortable, casual and trendy lifestyle component to apparel will provide another offering to improve a women's running experience.



Jim Howard,
Salomon USA's
VP of apparel

“Women appreciate being able to wear high performance running apparel that looks fashionable and fun while easily transitioning from workout to everyday wear,” said Howard. “This is why running skirts, soft

fabrics and pieces that hang well on the body do well. At Salomon, our women's running line includes pieces that are packed with technology, like compression, wind/rain/sun protection and advanced tailoring while still having a progressive look that can transition easily from a running piece to a lifestyle piece.”

Howard also noted that women are enjoying a wide range of running experiences - road, trail, mud runs, relays, marathons, lunchtime group runs, etc. As such, they need apparel that works for their diverse workouts.

“And it's not just about getting a workout,” he added. “Many women are enjoying the social benefits of getting encouragement from their running partners at work, in their neighborhoods and circles of friends. So they like to have apparel that not only performs well, but is fun, colorful, inspiring and versatile as they spend time with their friends on and off the trail. They ask each other about their gear and where to get it, so word of mouth is important.”

Aimee Hart, national specialty sales manager at The North Face, said its early success in resonating with women in running apparel has reflected the brand's emphasis on

feminine styling, women's specific fit and trend right colors without compromising on performance.

“Many brands are now starting to adopt the same thoughtful approach enabling running specialty to showcase women's apparel in a more compelling way,” added Hart. “As an industry, we are doing a much better job but we can always improve.”



Aimee Hart,
national specialty
sales manager at
The North Face

At the store level, run specialty retailers have elevated their in-store apparel merchandising. Said Hart, “I have been seeing great use of mannequins to feature women's styles. Plus, many stores are keeping it fresh by rotating their apparel sections. Keeping the store looking fresh and new will keep women coming in.”

But beyond product, she agreed that the women's-specific outreach programs and events would continue to drive in female customers. New runners, both men and women, are looking for community, training help and “unpretentious support” from their local Run Specialty store, Hart said.

Some stores are now taking the community-activism programs to another level, she added. As an example, she cited Fleet Feet Huntsville's Diva Night, which annually draws lines of 200 women. Fleet Feet Chicago has likewise created an annual Look Book and annual Fashion Show that positions the stores as the local chain that “understands that runners want to look good and play hard.” The annual event regularly sells out and supports



Photo courtesy of Oiselle

Gilda's Club, which offers community support for anyone living with cancer and their friends and family.

"We are lucky because our channel is thriving in a challenging economy but we need to continue to innovate," said Hart. "We cannot get complacent. We need to always be looking forward and creating ways to capture new consumers that may not have been interested in shopping our specialty channel."

Michael Martin, general manager of Vibram FiveFingers for North America at Vibram USA, said women's-only made up about a quarter of FiveFingers' sales when he joined the company in 2007 but has since grown to above



Michael Martin, general manager of Vibram FiveFingers for North America at Vibram USA

40 percent. Martin believes the reason FiveFingers has traditionally skewed male is because even though women may be more comfortable than men flaunting their toes in sandals, the original designs just weren't stylish enough, nor flattering on a woman's foot.

Moves to improve the look of the upper, and added color options, have steadily increased FiveFingers' appeal to women over the last several seasons. More recently,

Vibram has been using consultants to anticipate future color palettes for new products and style updates.

Martin also suspects women weren't responding as much to the original hype surrounding FiveFingers in the early days, and has recently seen better connect with the messages around natural running as FiveFingers has increasingly emphasized FiveFingers as a tool for fitness.

Probably the single biggest investment FiveFingers has made in targeting women was to partner with Stacey Lei Krauss, an international fitness educator, who has helped develop a comprehensive consumer awareness campaign including: developing a board of experts in several fitness

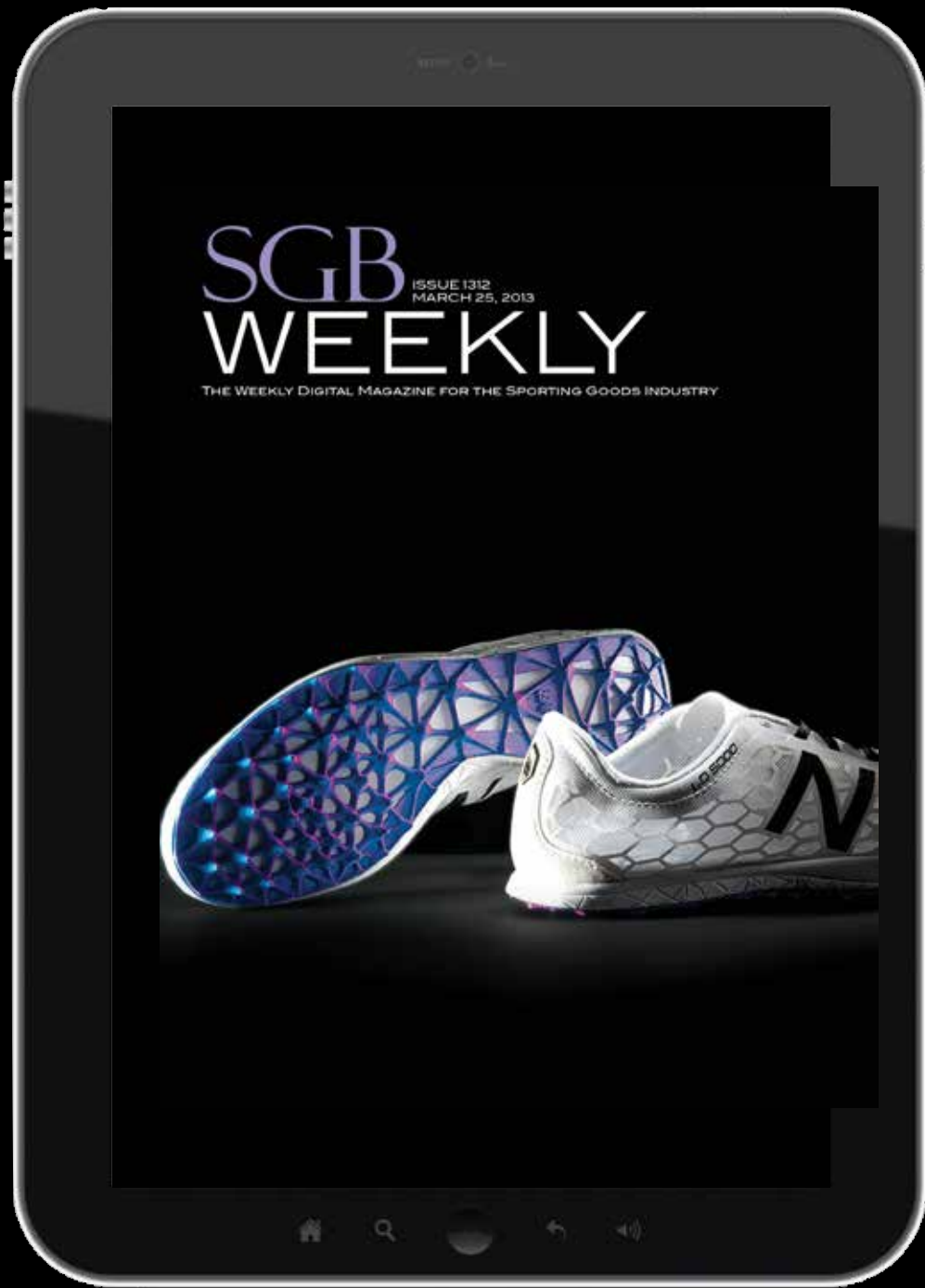
disciplines; providing online training and foot health advice; promoting natural movement concepts at fitness tradeshow; developing a step-by-step running guide; and creating other complementary educational programs. Said Martin, "For years foot fitness has been a focal point of her programs - a unique perspective that no other programs offer."

Vibram complements this partnership with concentrated PR outreach to women's media outlets through media tours to NYC (visiting with *Health, Fitness, Shape, Self, Glamour, W, Vogue magazine(s)*, etc.). The company is also committed to educating female consumers through leading women-specific and mommy blogs.

Martin said FiveFingers, like many other vendor brands, is helping stores with their grassroots efforts through rep-driven clinics and other efforts to support participation in fitness, health and outdoor activity. Said Martin, "In the past you ran ads and hoped to set the hook with the end-user. Now, if you're not engaging in the local community, you're probably missing some opportunity." ■



Photo courtesy of Moving Comfort



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The product developer is an integral part of the Research, Design, Sourcing & Development team, helping manage the apparel & pack development process from ideation through preproduction confirmation. This includes quality, function, and on-time prototype and sample delivery. The developer works closely with the category manager of Outerwear/Waders and...

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