

# SGB

ISSUE 1502  
JANUARY 12, 2014

# WEEKLY

THE WEEKLY DIGITAL MAGAZINE FOR THE SPORTING GOODS INDUSTRY



Come See us at Outdoor Retailer Winter Market 2015 Booth #5009

A woman with long dark hair, wearing a dark puffer jacket with a fur-lined hood, a blue turtleneck scarf, blue jeans, and blue gloves, is walking a husky dog on a leash through a snowy field. The husky has black, white, and tan fur and its tongue is hanging out. The background is a soft-focus snowy landscape.

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## BY THE NUMBERS

**+2.5%**

**The Buckle, Inc.** reported comparable store net sales for the five week period ended January 3 increased 2.5 percent. Revenues increased 5.4 percent to \$190.6 million.

**+3.7%**

**J. C. Penney Company, Inc.** reported comparable store sales growth of 3.7 percent for the combined nine-week November and December period over the same period last year. The company also announced that it now expects to report fourth quarter comparable store sales at the upper end of its previous guidance range two to four percent. Said Myron E. (Mike) Ullman, III, chief executive officer. "Customers clearly responded to our combination of great merchandise and compelling promotions this holiday season. We are proud of these results and believe the work we are doing will fuel the continued growth of our business."

**+5.3%**

Overall, retail sales during the Black Friday to Christmas Eve period increased 5.5 percent in 2014, according to Mastercard Spendingpulse's initial view on the 2014 U.S. holiday shopping season. The increase is in line with the original SpendingPulse forecasts and reflects one additional shopping day this year over 2013.

**+6.5%**

**Stage Stores, Inc.** raised its fourth-quarter guidance while reporting holiday comparable sales grew 6.5 percent for the nine-week period ending January 3. Michael Glazer, president and CEO said, "We are very pleased with our holiday sales and margin performance. Footwear, Women's, and Cosmetics categories were especially strong."

**+8.0%**

**Zumiez'** total sales increased 14.4 percent in December to \$143.4 million while comparable sales increased 8.0 percent. Based primarily on higher than planned sales quarter-to-date and to a lesser extent better product margins partially offset by foreign currency headwinds, the company raised its guidance and now expects earnings in the range of 75 to 77 cents a share up from 69 to 72 cents previously.

**+15.0%**

**ComScore** reported holiday season U.S. retail e-commerce spending from desktop computers for the entire November to December 2014 holiday season reached \$53.3 billion marking a 15 percent increase versus the corresponding days last year. Results slightly exceeded its forecast. Cyber Monday (Monday, December 1) once again ranked as the heaviest spending day of the year with more than \$2 billion in desktop buying.



## DOREL'S CYCLING SEGMENT REBRANDS AS DOREL SPORTS

Dorel Industries, Inc. kicked off the New Year by renaming its Recreational/Leisure segment Dorel Sports and announcing a number of hires and promotions at the Connecticut-based business; which owns Cannondale, Schwinn, GT, Mongoose, Sugoi, and Caloi cycling brands.

"We have good momentum in our business as we enter 2015, and I'm excited about the upcoming year," said Peter Woods, president and CEO, Dorel Sports. "We've made a number of exciting new hires and promotions to support key elements of our growth strategy in 2015, in particular our focus on developing and delivering industry-leading product innovation, the lifeblood and heritage of our company."

"Dorel Sports is deeply committed to product innovation as a key driver of the business" said Scott Rittschof, who joined the company as SVP and general manager, Cycling Sports Group (CSG) in September 2014.

Among the recent hires Dorel Sports has made is Damon Rinard as its new engineering manager – road, CSG; Jeremiah Boobar, director of suspension technology, CSG; and Ben Ward, BMX product manager for GT. Markus Spenninger has joined as engineering manager – e-bike and urban in CSG's R&D facility in Freiburg, Germany.

In addition to these positions, Dorel Sports has also been strengthening its back office functions to enhance its supply chain and improve product availability to customers and consumers. Daniel Mendes is moving in January 2015 to Wilton, CT from the Caloi organization in Brazil and has been promoted to the newly created role of VP – global strategic procurement. Preston Akers has joined Dorel Sports as director, quality & compliance; Julie Redfield as SVP, human resources; and Dhires Jethwa as VP and CIO.

"I'm confident these roles will help us deliver on the incredible potential of our brand portfolio by driving our industry-leading innovation agenda while ensuring we deliver on superior execution across our supply chain and back office functions. I look forward to a successful year in 2015 with our dealers and retailers worldwide," concluded Woods.

## M&A BLOTTER

**Arcus Hunting, LLC**, an acquisition vehicle for hunting related brands, acquired PAT Acquisition, LLC, manufacturers of top-selling Tink's brand of deer lures and attractants. The deal marks the second for Arcus since its formation in November 2014.

**Confluence Outdoor** acquired SUP and surfboard maker **Boardworks** of Carlsbad, CA. In addition to manufacturing and distributing boards and accessories under its own brand, Boardworks manufactures and distributes boards for outside brands including Infinity, Badfish, Morrelli & Melvin, Hynson, Strive, and Hansen. The acquisition marked the first for Confluence since being acquired by J.H. Whitney last year.

Travel media company **Lonely Planet** acquired a strategic stake in media house **Teton Gravity Research (TGR)**. The investment comes as TGR has doubled in size in recent years becoming one of the top media houses in the action sports and outdoor industries.

**Surf Technicians, LLC (Surftech)**, was acquired by **Triple D Corporation Company Limited**, an investment company based in Thailand that holds interests in various companies including a composites parts manufacturer.



Puma and United Legwear & Apparel Co., LLC (ULAC), are entering into a joint venture in North America for the production, sales, marketing, and distribution of Puma children's apparel from infant through boys' size 20 and girls' size 16. The joint venture will be doing business as Puma Kids Apparel NA, LLC; day-to-day operations will remain at ULAC's New York City offices with guidance and cooperation of Puma North America's creative, merchandising, sales, and marketing teams.

"We are thrilled to expand upon our relationship with United Legwear," said Jay Piccola, president of Puma North America. "We have had amazing success over the years working with them on the socks and bodywear business and we are confident for the same growth in kids apparel."

Isaac E. Ash, founder, president and CEO of ULAC, noted that in its 13-year partnership, the company has successfully expanded the Puma brand in socks, lounge wear, and underwear in both product assortment and in the number of retailers that carry Puma. He added, "The addition of children's apparel to United Legwear's current lines of Puma products will allow a seamless integration in the design and development of apparel and legwear, and will offer retailers a more comprehensive buying experience and brand presence in their stores."

Puma Kids Apparel NA's first collection will launch at retail with the Spring/Summer 2015 line.

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## MOVERS & SHAKERS

**Craft Sportswear** North America named **Eric Schenker** as its new CEO. Schenker previously held the position of Director of Sales and Marketing and will take over the role of CEO on his 10-year anniversary with Craft.

**ExOfficio** appointed **Julie Snow** as its new VP of Design and Product Development, where she will play a key role reinforcing the brand's position as the global leader in adventure travel apparel. She had been at Cutter & Buck.

**Footwear Distributors and Retailers of America (FDRA)** hired former U.S. Representative **Sue Myrick** as its key policy strategist and **Thomas Crockett** as the association's Director of Government and Regulatory Affairs. Both Myrick and Crockett bring a wealth of experience and knowledge to FDRA as it fights to eliminate the over \$2.5 billion in duties plaguing the footwear industry.

**Head North America** promoted **Jon Rucker** to SVP Sales & Marketing for Head USA Winter Sports.

**Lululemon Athletica** named **Stuart C. Haselden**, formerly at J. Crew, as its CFO to replace John Currie, who is retiring.

The **Massachusetts Bicycle Coalition (MassBike)** board of directors has named **Richard Fries** to serve as its new Executive Director.

**Native Shoes** appointed **Dominique Morisset** as the brand's Global Marketing Director. Prior to joining Native, Morisset was the Senior Director of Global Marketing and E-commerce at STR/KE MVMNT, an athletic footwear and apparel brand she co-founded.

**Reef** announced its new head-to-toe partnership with **Evan Geiselman**. Florida native Geiselman is only 21-years-old, but has been known in competitive surfing circles for more than a decade.



## 2015

### TOP FITNESS TRENDS

The American College of Sports Medicine (ACSM) announced its annual fitness trend forecast based on survey responses from thousands of fitness professionals. Body weight training, high-intensity interval training, educated/experienced fitness professionals, and strength training topped the list.

"It's no surprise to see body weight training claiming the top spot this year," said Walter R. Thompson, Ph.D., FACSM, the lead author of the survey. "These kinds of exercises provide the benefit of requiring little to no equipment and are incorporated into many fitness programs that are currently popular."

Now in its ninth year, more than 3,400 health and fitness professionals worldwide completed the survey, many certified by ACSM, and was designed to reveal trends in various fitness environments. Thirty-nine potential trends were given as choices, and the Top 20 were ranked and published by ACSM, including a new addition to last year's list, which rose quickly to the top.

The Top 10 Fitness Trends predicted for 2015 are:

#### 1. Body Weight Training

Body weight training uses minimal equipment making it more affordable. Not limited to push-ups and pull-ups, this trend allows people to get "back to the basics" with fitness.

#### 2. High-Intensity Interval Training (HIIT)

HIIT involves short bursts of activity followed by a short period of rest or recovery. These exercise programs are usually performed in less than 30 minutes.

#### Educated and Experienced Fitness Professionals

Given the large number of organizations offering health and fitness certifications, it's important that consumers choose professionals certified through programs that are accredited by the National Commission for Certifying Agencies (NCCA), such as those offered by ACSM. ACSM is one of the largest and most prestigious fitness-certification organizations in the world.

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OUTDOOR



## ADIDAS

### TO SPONSOR UNIVERSITY OF MIAMI

Replacing Nike, Adidas signed a 12-year partnership with The University of Miami making Adidas the official athletic footwear, and accessory brand of the Hurricanes through the 2027-28 season.

“The University of Miami was the first college program to excel as a national brand with championship play on the field, changing the game of college athletics,” said Mark King, Adidas Group North America president. “Their unmatched success, national relevance, and cultural significance make them a perfect fit for Adidas as we continue to significantly invest and grow our business in the U.S. Florida is a key battleground and home to some of the best athletic talent in the country. We’re proud to have Miami as a key pillar of our future business.”

Said Blake James, director of Athletics for the University of Miami, “Our new partnership will help expand the UM brand locally, nationally, and globally and will help Miami to continue to be one of the nation’s premier athletic programs.”

The partnership, which makes the University of Miami one of Adidas’ 13 licensed NCAA programs, begins on September 1, 2015 and includes investment, product, and uniform development for all 18 intercollegiate Hurricane athletics programs.

Adidas partners, hailing from the University of Miami, include NFL stars Jimmy Graham of the New Orleans Saints, Frank Gore of the San Francisco 49ers, and U.S. Olympic hurdler T’erea Brown.

“It is an exciting day for the brand I love and my university,” said Graham, class of 2009. “Adidas brings sports and culture together and that is a perfect fit for the University and the city of Miami.”

Adidas is the official uniform and apparel provider for the NBA and Major League Soccer and also sponsors more than 70 collegiate programs including Michigan, Texas A&M, UCLA, Nebraska, Wisconsin, Louisville, Mississippi State, Indiana, Kansas, Cincinnati, North Carolina State, and Arizona State.

## MIZUNO

### HIRES VP, PRODUCT MANAGEMENT, RUNNING DIVISION

Mizuno USA appointed Mark Sheehan as VP, product management, Running Division. Sheehan will report to Dick Lyons, Senior VP & GM, Product Divisions.

“In order to achieve sustainable leadership positions in the respective categories in which we compete, Mizuno USA has engineered, and is implementing, a significant transformation to reinforce our competencies and capabilities,” said Bob Puccini, president of Mizuno USA and director of Mizuno Corporation. “Our Running Division is an especially critical piece of our growth plans. To drive accelerated growth, we have been making fundamental changes to different parts of our business including how we are structured, how we innovate and how we go to market. Mark’s hiring is an important step in this ongoing change.”

Sheehan comes to Mizuno USA with 28 years of experience in the running business. He began his career as a co-owner of a running specialty store in 1986. After his retail experience, Sheehan moved to product management and held progressively increasing responsibilities at Nike, Puma, Reebok, and K-Swiss. Most recently, Sheehan was president of his own firm, Material Concept Group. Sheehan is an accomplished runner himself having qualified for the U.S. Olympic trials and worked as a track and cross country coach at the University of South Florida.

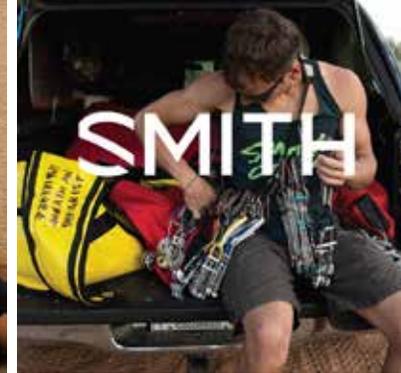
“Mark is an industry veteran who has a deep understanding of the needs of today’s runners and how to deliver exceptional products. We are especially delighted with his broad, global experience from design and development to sourcing and merchandising to retail including the Running Specialty Channel,” said Lyons.

“I am thrilled to be part of the Mizuno brand that has a very aspirational purpose to impact the world through the transformative power of sports. Through its superior products and highly emotional brand message, Mizuno has built incredible loyalty and evangelism among runners. I look forward to working with the team to deliver that brand experience to even more runners,” said Sheehan.

“Mark has both the experience and passion we need in this critical role,” said Puccini. “His addition to our team further supports our commitment to deliver continuous innovation to fuel our aggressive and achievable growth objectives in this category.”



Mark Sheehan, VP Product Management, Running Division, Mizuno USA



## SMITH CELEBRATES 50 YEARS WITH NEW BRAND IDENTITY

By Aaron H. Bible

Originating in Sun Valley, ID in 1965, Dr. Bob Smith, orthodontist and ski bum, developed the first sealed thermal lens and breathable vent foam goggles so he could get in a few more powder runs on days when everyone else had to go back indoors.

And with its golden anniversary celebration in 2015, the company he founded is staying true to its vision of pioneering products to fuel fun outdoors, with a brand that has come to represent a lifestyle that millions strive for everyday.

“Our vast heritage of product innovation has formed who we are as a brand today. Smith first revolutionized the outdoor experience through the introduction of the first interchangeable lens system for sunglasses and snow goggles then quickly took fog-free goggle technology to the next level with the launch of two new ventilation systems for seamless goggle/helmet integration,” the company said. “Over the next few years, Smith developed the world’s largest eco-friendly sunglass collection. Most recently we created the most scientifically advanced polarized lens technology, ChromaPop, while simultaneously creating a dramatically new approach to ventilation and protection in snow and bike helmets through the use of Aerocore technology.”

Whether its snow, bike, fish, surf, performance or outdoor adventure, Smith is dedicated to making products that empower its customers to stay outside longer.

“As a declaration to our future progress, we are proud to announce the new visual identity of Smith. Following a refined brand platform that modernizes our beliefs, values, and who we stand for, Smith will re-launch our entire product range in January 2015 with a new logo and brand presentation. With clean, modern and refined letterforms, the updated logo hearkens back to our original identity and speaks to the fundamental tenets of our brand: performance, movement, and essential design,” the company said in a statement.

Throughout 2015 Smith will globally roll out its new identity across in-store visuals, consumer and trade advertising, updated website, and new product packaging, in addition to product logo updates on goggle straps, snow and bike helmets, lifestyle and performance sunglasses and ophthalmic eyewear.

Now with 50 years of innovation and design experience behind it, the company is widely known as an industry leader that pioneered advanced eyewear and helmets that incorporate dynamic technologies with clean styling. “From sand to snow, to us, the experience really is everything; Here’s to one hell of a good time for the next 50 years,” the company said. Their athletes, brand ambassadors and traveling exhibits at on-the-ground sports events are an important part of the outdoor industry experience that shows no signs of slowing down.

# 50 years.

**1965**  
Smith is born  
In 1965 Dr. Bob Smith, orthodontist and original ski bum, develops the first sealed thermal lens and breathable vent foam goggles. He had built goggles in his garage and sells them out of his car on week-end trips in Utah and Colorado.

**1966**  
The SMITH GOGGLE  
In 1966 Smith patents the TurboFan the all new system for fog-free goggles (fog-free thermal and clear-free vision or clearview).

**1970**  
In 1970 goggle evolution is moved to Fishburn Idaho.

**1971**  
TurboFan  
In 1971 Smith introduces the Turbo Fan constant air management system. This micro fan positioned on the back of the goggle results in the first goggle with an active ventilation system.

**1972**  
Meet a few of our first major history  
In 1972 Smith also introduces the Surf seek, making Smith Optical with into the sunglasses market.

**1979**  
The Wave  
In 1979 Smith introduced the Wave goggle. Through the invention of what is now commonly referred to as "autospacer", the Wave sets the modern pattern base for the rest of us.

**1984**  
In 1984 Smith is incorporated as Smith Optical, Inc. aka Smith Optical.

**1985**  
In 1985 Smith introduces the Slider UV Slider sunglasses technology revolutionizes the sport sunglasses market.

**1986**  
In 1986 Smith introduces the V3 goggle entering new fields with wide field of view. Partnering with world-renowned design firm IDEO Smith introduces the world of industrial design to goggles.

**1990**  
The Wave  
In 1990 Smith introduced the Wave goggle. Through the invention of what is now commonly referred to as "autospacer", the Wave sets the modern pattern base for the rest of us.

**1995**  
Smith MFG  
In 1995 Smith builds its own factory in Clearwater, FL. Smith starts its own.

**2000**  
Snow Helmets  
In 2000 Smith enters the snow helmet market. Building on experience with fog-free goggle technology, Smith takes goggle helmet technology to a new level introducing the Eco and Aerocore. These two advanced technologies (Aerocore) are now integrated into helmet design to enhance active and passive ventilation of the goggle.

**2000**  
In 2000 Smith introduces the new Smith Full Line UV3 in Fishburn, Idaho, and builds its new world headquarters a few blocks away in CO. Northwood Way.

**2006**  
In 2006 Smith introduces the ChromaPop lens technology. The industry's first snow goggles with its truly amazing optical lenses.

**2007**  
In 2007, after years of development, Smith introduces to the market the V3 goggle. The industry's first snow goggles with its truly amazing optical lenses.

**2009**  
In 2009 Smith introduces the ChromaPop lens technology. The industry's first snow goggles with its truly amazing optical lenses.

**2013**  
The Forefront  
The first world-class goggle for the bike helmet market, unless we could move the needle. Because that's what we're all about.

**2014**  
The Overlook  
Unique industry first for athletes or users our product and innovation. In a sea of specialization, the Overlook is the first helmet to provide world-class performance in protection, ventilation, weight and aerodynamics.

**2015**  
In 2015, Smith celebrates 50 years of innovation and authority while looking toward the next 50 years of progress and thrilling experiences.

# An Upbeat Outlook for 2015

With the economy improving and a health & wellness trend providing a boost for most categories, 2014 appeared to have turned out to be a solid-to-strong campaign for most companies in the sporting goods industry. What's up for 2015? *SGB* reached out to a host of executives to hear their outlook, including their concerns and what gives them optimism.

By Thomas J. Ryan





Bob Puccini, President,  
Mizuno USA & Chairman SFIA

2015 should see modest industry growth. There is a generally improved economic climate. Unemployment is down, although real wage growth is anemic, if not down. Running continues to be a growth category as the benefits continue to be widely embraced...The "omni channel" issue and how to leverage and "be everywhere platform" will continue to evolve including effectiveness

of personalized digital relationships. I also believe that consolidation will continue, although pendulums are known to swing from one direction to the opposite through learnings and ill-conceived presumptions. I believe specialty channels will always have a place in the markets as long as the values offered are, well, "special," in serving with a greater purpose than the traditional transactions plus selection...Lack of sports and physical activity as well as reduced sports and fitness budgets in the school system remains an industry concern. Sports and fitness activities deliver not only the physical and health and wellness benefits that are obvious, but sports have helped shape our society's "value system" which, in my opinion, could stand a shot on the arm. Many prospective military recruits cannot pass the physical exam! Doesn't that create a national security concern? Not to mention the siphoning of our national budget (and contributing to our growing \$18 trillion national debt), to excessive health care costs? Yes, I'm concerned. Every one of us can do something about it by contacting the SFIA or PHIT America and participating. As per my closing comments at this past September's SFIA Industry Leaders Summit: "If not us, then who?"...As far as reasons for optimism, outside those macro topics outlined above, I am excited about the convergence of technology with sports and fitness products. Information is empowering and the digital age has and continues to enable "smart," interactive and "engaging consumer experiences." Products alone, in their traditional form, may no longer be enough to meet consumer expectations. Total experiences provide a higher level of engagement with the sport or fitness activity, helping ensure sustainability and "stickiness;" Rio Olympics should also generate excitement as a first time venue for this world event; and the values of sport, that are embedded in so many of our well run organizations in this industry, will continue to drive us toward meaningful innovation and exciting new experiences. - **Bob Puccini, President, Mizuno USA & Chairman SFIA**

At Pacers we are excited about where Specialty Running is in 2015. We believe in the channel and think the service we provide is the best for runners and fitness enthusiasts, especially those who are new to running and the running store experience. With that said, this year is probably going to be flat or down. But, I believe, at the same time that is a huge opportunity for us...The customer has more options than ever, and we are no longer the exclusive key-holders to running information and specific product. The competition is from big box, the Internet, the shoe vendors, department stores, discount footwear stores, as well as other Running Stores. In other words, it's coming from everywhere...At Pacers we can no longer get by

on customer service and commitment to the community. The customer isn't as committed to shopping local or shopping small. They want what is convenient and now - and why shouldn't they? They can get shoes next day from many places that give good customer service and ship for free...As a channel, Specialty Running needs to raise the bar. These challenges have made us a better business at Pacers. We have streamlined. We have closed a store, we have strategically opened a store, we've better-defined roles in our company, our people know what's expected. I'm not sure that all would have happened if we stayed growing at 20 percent a year. Our tag line for this year is #ForEveryRun - so bring it on 2015! Whether sales are brisk or slow, we'll be ready for you. - **Chris Farley, Owner, Pacers Running Stores, Washington, D.C.**



Chris Farley, Owner,  
Pacers Running Stores

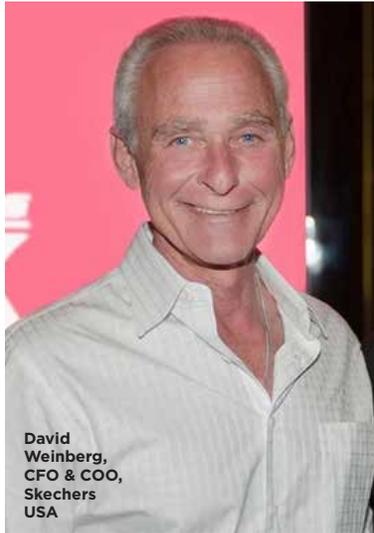


Dan Sheridan,  
SVP & GM North  
America, Brooks  
Running

2014 was a fantastic year for Brooks. We continued to gain market share with specialty running stores around the country, and we recently received the Independent Running Retailer Association's Vendor of the Year Award presented at The Running Event in Austin, Texas. Our brand was also rated No. 1 in the fall Sports Marketing Survey, which measures many areas of our company including customer service, sales rep support as well as marketing programs and on-time shipping. This gives us great momentum heading into 2015 when we'll launch a completely new, innovative running apparel collection that complements our brand and the runner. We continue to focus on innovation in our footwear that goes above and beyond runners' expectations. While the market has been slow in 2015, we see great opportunity to further connect with runners and create even better gear for their daily needs. We know that running participation is at an all-time high in North America, and this will continue to drive growth in the sport, which makes us optimistic about the year to come.

- **Dan Sheridan, SVP & GM North America, Brooks Running**

For Skechers, the same positive outlook we had on our third quarter 2014 conference call remains for the balance of the year and the coming year. Our outlook on our business is very, very positive. We are ending the year with our third fourth quarter of double-digit growth, and we will start the year off very strong with 15 to 20 percent growth in the first quarter. Importantly, this growth will be across our many product categories and will continue through 2015 on a worldwide basis. - **David Weinberg, CFO & COO, Skechers USA**



David Weinberg, CFO & COO, Skechers USA

brick and mortar retailers are not adapting well enough or fast enough to stay competitive and that they need to find unique products, unique service, and unique programs to rally their customer base. I believe retailers need to break free of their old mentality and way of doing business and be more adaptive and cutting edge. We consistently hear from our customer base that retailers have been slow to embrace new ideas and



Golden Harper, Founder, Altra Running

new trends and have pushed away customers and potential customers as a result. Instead of turning away customers from new ideas, retailers should be introducing them to new ideas. People can find out about new ideas and products online, but they can't try them right away. As retailers introduce customers to new ideas and products, I believe this will help with customer loyalty and ensure their relevance. - **Golden Harper, Founder, Altra Running**



Glenn Lyon, Chairman & CEO, The Finish Line

While our near term outlook for product margins and earnings is more muted than a quarter ago, everything we continue to see within our business still validates the longer-term strategies we are focused on. As a reminder they are one, developing a leading omnichannel business so that we can serve our customers whenever, wherever, and however they choose to engage with Finish Line. And two, extending our consumer reach to our two additional business units Macy's and the Running Specialty Group. Omnichannel

pro prowess is more crucial than ever. Our commitment to delivering outstanding customer experiences across stores in digital platforms is unwavering. Thanks to the progress we have made on this critical front, Finish Line traffic in total was at its highest level ever during the third quarter. However, the impact on our P&L from the investments that have driven our enhanced consumer engagement are magnified in a quarter where we generated lower than planned gross margin dollars. Let me be clear, while our long-term vision and strategies remain intact, we are cognizant of our current situation. We are hard at work balancing and prioritizing so that we continue to build the necessary capabilities while also maximizing nearer term performance. We fully realize this entails taking appropriate cost actions when operating conditions so warrant.

- **Glenn Lyon, Chairman & CEO, The Finish Line**

We're looking forward to 2015 in a big way. Everything is trending great for Altra and things are lining up really well as far as improving in the areas we've had challenges in recently. I believe run specialty will have a solid year as many are learning to adapt after some of the tough moments of last year. I am optimistic as health and fitness continue to be on the rise and are ever present in the media and it is keeping it top of mind for consumers. This bodes well for the industry as a whole...My concern is that



Jeff Phillips, CEO & President, Fleet Feet, Inc.

I think [the 2015 outlook] is very exciting and not without its challenges. We have unprecedented proliferation of product distribution, so customers have more options for getting the products they need, even more so than they did just a couple of years ago. As a whole, running specialty stores must contend with presenting a very clear and authentic value proposition to consumers and back that up in their stores and communities. Stores that do that can continue to grow even after a somewhat middling year overall...Among my concerns, remaining important to our digitally-empowered consumer remains a priority. Our customers' shopping habits continue to evolve, and we need to ensure the service, programs, and products we're providing resonate with, and are accessible to, our customers. This at times may mean stepping outside of our comfort zone, but stepping out in a thoughtful and supported effort, which we're already doing with the launch of our e-commerce site...As far as what offers optimism, that's an easy one. We have indisputable advantages as a growing national brand; we're fueled by entrepreneurial local owners and operators; we have support resources in place as an organization; and we have built tremendous partnerships with key vendors. The continued opportunity we have to utilize those advantages to create an iconic experience for our customers and support local running communities gives me optimism for 2015 and beyond. - **Jeff Phillips, CEO & President, Fleet Feet, Inc.**



Jim Baugh, Founder, PHIT America

I have two concerns. The first is the continual erosion of people being active or playing sports in America, especially with our youth. When you dig into participation numbers, our industry – sports, fitness, outdoor, etc. – is not keeping pace with population growth. It is affecting sales, too. Retail unit sales of sports and fitness equipment were down by more than 10 percent in the past two years as reported by SportsOneSource. And, the

NSGA has been tracking the Consumer Price Index for sports products and the sports industry's CPI has been down 53 out of the last 57 months. Most of this is caused, in my opinion, by the 'Inactivity Pandemic'...The second concern is too many companies are 'sitting on the sidelines' waiting for the 'Inactivity Pandemic' to improve. Do we really think Google and Apple are going to stop creating 'tools' which make it fun and enjoyable to be sedentary? Do we think Comcast or HBO will stop promoting us sitting as we watch TV? Will EA stop promoting new video games? No. Our industry has been feasting off the frequent participant and needs to invest in programs which get Americans off the couch and active. Everybody in the sports industry needs to 'get in the game' of creating more active, fit, and healthy Americans. What gives me optimism? Two answers here as well. Some executives realize we must work together to invest in participation programs. I applaud the SFIA for taking a lead with its new Increase Participation Plan. But we need every company to step up and get involved. As Bob Puccini, Chairman of the SFIA, said recently, "If we don't, who will?" The second is knowing our industry has the greatest gift we can offer Americans – a way to be more active, fit and healthy. We just need to be more aggressive to promote what we offer...and get more children engaged in fun, retention programs so they can enjoy a healthy life.

- Jim Baugh, Founder, PHIT America

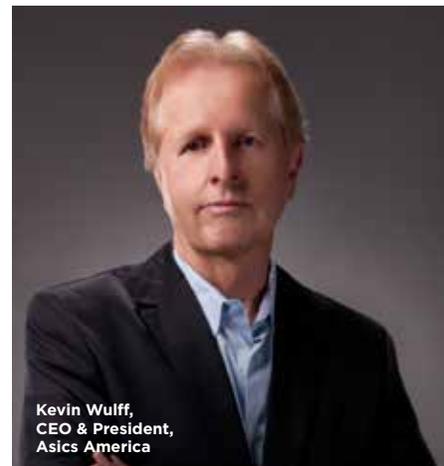
Our focus will be on increasing our essentials, injury prevention, and recovery product's story. We are going to shift apparel OTB dollars over to injury prevention, recovery, bras, safety, and other essentials to tell a more compelling story with those products. Consumers come to us



John Rogers,  
President, Fleet Feet  
Maine Running

to purchase the right shoes to prevent injury. Medical referrals are a large part of our business, so it only makes sense to tell that story versus continuing to invest in an increasingly commoditized category which continues to hover around 10 percent even with tremendous investment and resources. Also, our associates have a higher capacity to tell that injury prevention, recovery, bra support, and essentials story without having to learn new technology applications and fabrications every quarter. Additionally, we are doubling our medical

community marketing and finding new ways to acquire customers whether it's events, training programs, youth development programs, Run Happy Hours or TV, and online advertising. Finally, Fleet Feet's Omni Channel initiative has promised to provide more information and greater product access to our customer...As far as concerns, the commoditization and the over distribution factor. Footwear and apparel are commoditized at a high level right now. It seems we are opening more and more running stores and increasing distribution to more channels. Price escalation of products continues to erode the consumer share of wallet and continues to shift what we buy. Finally, the future shopping habits of the younger consumer and how we engage them. They are growing up in a digital and online world, so we will have to continue to develop ways to get them in our stores...On the positive side, running specialty retailers are looking at their business in a different way. You can't make the inventory mistakes or have a customer have a bad experience and that margin for error is thinner than ever. The retailers that strive for consistency, high level of service, community connectivity, and operational excellence are going to get better and succeed. I'm optimistic because of our partnership with Fleet Feet and the tremendous effort Fleet Feet, Inc. is investing in training, new people, resources, omni channel, vendor partnerships, and the list goes on. I know I can focus on my market, customer, and in-store experience and have the resources to take it to another level, yet maintain my local connectivity and unique independence. I'm excited for 2015! - **John Rogers, President, Fleet Feet Maine Running**



Kevin Wulff,  
CEO & President,  
Asics America

As the world of sports continues to expand and the focus on health and wellness intensifies across all segments of society, Asics sees an immediate opportunity for growth in 2015. In the past several years Asics has expanded its reach beyond running while remaining true to our core. Asics is and will remain the home of performance running

products and we have the most successful franchise in the market. We have made 22 versions of the Kayano's and sold over 15 million pairs to date; the equivalent of one pair for every twenty people in the United States! Our line of training gear has been wildly successful and has grown tremendously in 2014 with no signs of slowing down. Our apparel line is on the rise and we expect strong returns as we place more emphasis on tennis and volleyball in 2015. Asics is gaining strong momentum in tennis, and our recent signing of Kerri Walsh Jennings, the top volleyball athlete in the world, cements our strong position in the volleyball market...A few years back we set a goal to reach \$1 billion by 2015 and we are on target to hit that milestone. We have one of the Top 10 strongest brands among active consumers according to SportsOneSource Brand Strength Index. There is a lot of competition in this space we play in, and maintaining a leadership position requires us to be bold, focused, and innovative. In 2015 Asics will remain a leader by continuing to provide the best performance running products and build upon our successes in our new markets. - **Kevin Wulff, CEO & President, Asics America**



Mark Parker,  
President & CEO,  
Nike, Inc.

The world of sport is constantly evolving as is the environment in which we operate. That opens up new opportunities for Nike every day. But to identify and capitalize on those opportunities, we have to stay nimble. We need to balance making critical investments with managing risks whether they be currency headwinds, commodity cost fluctuations, or an evolving political landscape. The word “balance” is key. To capture the tremendous growth potential we see for Nike, we must invest, and

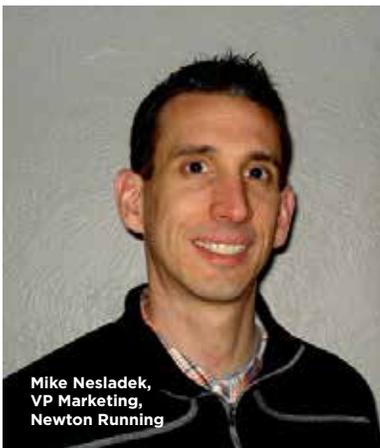
a targeted approach to making the right investments helps us drive growth and manage risk. It’s a winning strategy that has allowed us to deliver profitable, sustainable growth quarter after quarter, year after year. You know, I’m often asked how we can continue to grow, how there could still be places where Nike isn’t fully distributed. When I look at the potential in our business, I actually see the exact opposite. The more we focus on knowing, connecting, and serving the consumer, the more opportunity I see for growth and when we capture those opportunities by leveraging the power of the Nike Inc. portfolio. - Mark Parker, President & CEO, Nike, Inc.



Rob DeMartini,  
President & CEO,  
New Balance

We are very optimistic about 2015. We expect solid growth in the U.S. as well as around the world. At New Balance we are always looking to change the game and offer innovative product to athletes and consumers. In 2015 we will continue to expand our performance running footwear with new styles launching under the Fresh Foam platform as well as new lifestyle product to drive sales around the world.

- Rob DeMartini, President & CEO, New Balance



Mike Nesladek,  
VP Marketing,  
Newton Running

We expect that 2015 will be a highly competitive year and that we’ll see those who understand the runner, build community, and can consistently exceed consumers’ expectations on the retail, product, and brand side continue to do well. With the continued broadening of running and what it means to consumers (the rise of fun runs and treadmill classes, for example), our biggest concern is remaining focused and bringing the right resources to the right initiatives in order to drive growth for our retail partners and Newton Running. But we feel incredibly optimistic going into 2015 as we know that we have the right plan, the right product, and the right team to reach more runners and achieve our goals as a brand.

- Mike Nesladek, VP Marketing, Newton Running

We are incredibly optimistic as we look ahead to 2015. Our business thrives when we innovate and provide performance-enhancing technologies that empower a better running experience. Looking at our product pipeline, it is obvious that we are and will continue to deliver on that promise. The industry/business was certainly less robust over the past few years, but we’ve been fortunate - thanks to our commitment to authentic-based performance innovation - to have outpaced the marketplace. We see continued strength for us in running specialty, international business, and with growing momentum, our Saucony Originals business. - Richie Woodworth, President, Saucony



Richie Woodworth,  
President, Saucony



Trevor Edwards,  
President, Nike Brands

As we finish the first half of the year, the Nike brand has never been stronger. By staying focused on the needs of the consumer, we have driven exceptional revenue and profit growth. While we feel great about the results we’ve delivered to date, we’re never satisfied. Like the athletes we serve, our focus is always on continuing to elevate our performance, and that’s what we’ll do in the second half of the year and beyond.

- Trevor Edwards, President, Nike Brands

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# INSOLES *101*

## Retailers Offer Their Tips on How To Fit and Sell Insoles

By Thomas J. Ryan

With rich margins and strong growth as customers become more aware of benefits with information available across the Internet, insoles have been key sales drivers for athletic retailers of many stripes over the last several years. But it can also be a challenge for stores.

The extra cost - ranging from \$20 to \$50 for a pre-fab orthotic to upwards of \$100 - often surprises the consumer that has already paid \$120 for a pair of running shoes or much more for a pair of boots. Another level of expertise is also often required versus footwear to properly fit someone in an insole and spell out its benefits. An ongoing hurdle appears to be many young staffers enamored with the footwear side of the business and not having any experience themselves with an insole.

SGB reached out to a number of running stores, ski shops, and footwear-fit specialists to explore the insoles opportunity as well as the inherent challenges in selling the category.





### 9TH STREET ACTIVE FEET | DURHAM, NC

9th Street Active Feet in Durham, NC works to get customers thinking more deeply about their feet when exploring insoles. Said Walter Cleary, president, “Most people don’t pay attention to them until they get a bunion or worse, plantar fasciitis, shin splints, tendinitis, or some other performance injury.”

His staff goes through extensive in-house training in addition to periodically attending a sports medicine symposium program at the University of Virginia to gain insights into the latest research. Tech reps also regularly provide updates. The store’s reputation for education is further enhanced by its work with many of the athletes at the University of North Carolina and Duke as well as its expansive medical referral business. Said Cleary, “We’re basically health educators and specialize in kinesiology.”



Walter Cleary, President, 9TH Street Active Feet

In the store, associates observe whether the customer pronates, supinates, or has a neutral foot as part of the initial screening process. The customer’s existing sock liner is then taken out and they’re shown the wear patterns where the customer may be missing adequate support. Customers are then encouraged to take a “taste

test” with the OEM insole in one shoe and an OTC insole in the other. Said Cleary, “They immediately feel the difference.”

The whole evaluation process can take 45 minutes to upwards of two to three hours. “But the plus side is that we normally have a customer for life then and they become our advocates selling the quality and service at 9th Street Active Feet.”

The store primarily sells Sof Sole partly because the retailer also sells Sof Sole’s parent Implus Brands’ other shoe care, laces, and other accessory lines to offer a “one-stop shopping option.” But Cleary also finds Sof Sole’s Athlete product “the best sock liner in the marketplace.” Upgraded options as part of Sof Sole’s Fit series are also available if a more-customized fit is required. The store also carries Aetrex’s Lynco’s line and Archmolds, owned by Powerstep.

Noting that the midsole often loses its effectiveness well before the outsole, Cleary said his staff often offers an insole as an option to extend the life of an athletic shoe. Once convinced of the benefits of an orthotic in their athletic shoes, there’s a “trickle down effect” with the customer wanting them in their dress and other shoes.

But the effort starts with getting customers comfortable in the store and in discussing their feet. Said Cleary, “If they can touch it and see it and if it’s explained to them in logical fashion, then we have a customer for life.”

### GAZELLE SPORTS | GRAND RAPIDS, MI

Gazelle Sports, with stores in Grand Rapids, Kalamazoo, and Holland in Michigan, sells Powerstep and Superfeet due to their brand equity with runners as well as their willingness to be a strong business partner.

“The category is a huge part of our business,” said Ted Kushion, product manager, running footwear. “It’s an item that leverages our strength as ‘fitting specialists’ with a high margin category that can also turn very quickly. The biggest opportunity I see is that insoles can help you sell more shoes to the same customer by expanding the range of products the sales person can bring a customer.



Ted Kushion, Product Manager, Running Footwear

That typical ‘mild stability’ person can now consider a bunch of neutral cushioned shoes with an insole.”

One newer challenge in recent years, he noted, is selling an insole plus a pair of shoes with the rising price tags on footwear. Added Kushion, “Often times it’s an ‘either-or.’ We also sold a ton of insoles to customers insisting on minimal shoes, and that ship has sailed.”

As far as advice, he doesn’t see any advantage in over-assorting the category. “Pick two or three vendors that you want to build a great relationship with, put your money there,” said Kushion.

Partnering with local medical professionals can also boost the category. Vendors can help by seeding product to those influencers. On the sales floor, insoles should ideally sit within a few steps of the shoes or shoe wall.

"The best approach in my opinion is just to ask. 'Have you ever tried an insole?'" said Kushion. "That gets a dialog going and hopefully leads to stepping into a pair."

While insoles can be a great benefit for running shoes, Kushion likes directing the conversation toward the support they give when not running. "After you've beaten the body up on that long run, we all know your body needs to recover. An insole, whether out shopping or working on your feet all day, helps your body do that. The softest Hoka on the shelf won't save your knees if you're putting in eight-hour shifts on hard floors with no support before every run," he said.

Overall, he cautioned that associates should be consistent with the process noting that Gazelle has been called out by regulars for overly-pushing insoles in some visits and then not encouraging them at other times. Said Kushion, "If you're making it part of every 'fit' process, then it has to happen every time."

### TED'S SHOE & SPORT | KEENE, NH

Ted's Shoe & Sport stocks Sole, Superfeet, and New Balance insoles partly because local medical professionals regularly recommend them. The vendors also support the category from an inventory standpoint, pricing/terms/returns, medical marketing, as well as in-store and community events.

"This category is extremely important to me," said Ted McGreer, owner. "It's roughly 12 percent of our sales and is a constant driver for repeat business."

McGreer estimates that medical referrals can drive as much as 60 percent of his store's insole business. The rising costs of custom orthotics also encourage many doctors to suggest an OTC insole first. Moreover, the growing needs of an aging population and diabetes trends are expected to support the category. Once a customer finds the benefits of insoles, they want additional insoles for other footwear applications, and replace them regularly when purchasing new shoes. Subsequent word-of-mouth then reaches new customers.

"I would say it's evolved somewhat as a category because we believe a good insole/footbed is often more important than a new shoe," stated McGreer.

Like many other categories, distribution and placement of the product, retailer MAP violations,

and direct-to-consumer sales from vendors are primary problems. At the store level the cost, in addition to the shoes, can be a hurdle. But McGreer estimates his staff converts 75 percent of customers when they get them to try on an insole.

At the store level, a 10 x 10-foot wall plastered with insoles shows the store's commitment to the category. Each staff member of Ted's Sports is given a pair of insoles so they can directly speak to the benefits of the product to consumers. The staff tries to have a footbed conversation with just about anyone looking for new footwear. Once on their foot, associates will pull the OEM sock liner out of the other shoe and show the customer the inside of the flat shoe. Said McGreer: "We'll then show them what we call the

'press test,' where we press on the foamy arch portion of the OEM sock liner and watch it collapse easily and see how flimsy it is."

Associates are trained to make sure the waist of the inside of the shoe matches the waist width of the footbed. The thickness or volume of the footbed, especially under the forefoot, is also a critical part of the fit process. It carries Sole, Superfeet, and New Balance because of each offers different thickness and width options.

The store is "very careful" about how much they say as it relates to helping to aid in certain injuries.

"My staff knows they're not doctors, nor should they act like they are," said McGreer. "We do feel, however, that we can ask the right questions, be sure not to diagnose anything, and offer some stories about some of our existing customers who've had success with the product in the same situation. Parents especially want what's best for their athletic kids, and the moment I can show a mom what hyper-pronation looks like and how we can help keep the chain in better alignment, it's usually a win-win-win; Mom's happy, customer's feet feel better, and our store's more profitable."

### BOOTDOCTORS

#### TELLURIDE, CO AND TAOS, NM

Footbeds have been a major category for BootDoctors since its first location opened nearly 30 years ago.

"Footbeds provide the largest margin annually of any individual supplier we carry," said Bob Gleason, president. "We sell footbeds with almost every pair of ski boots that we deliver. We have a growing market for footbeds for biking, hiking, and other ambulatory sports. Every year it grows for us. Our clients have become more sophisticated in understanding the need for footbeds."

BootDoctors uses the Instaprint brand from Masterfit because Gleason believes it provides "the most range of variability in finish to build the right bed for the nuances of varying feet."



Ted McGreer, owner Ted's Shoe & Sport



Bob Gleason, President, BootDoctors

BootDoctors introduces footbeds at the very start of the sizing process. Having well-made footbeds to show the shape and demonstrate the support helps BootDoctors' associates significantly in client understanding of the products.

"Measure the foot seated then again standing," advised Gleason. "When the fitter notes the spread of the foot under weight bearing, visually show the client how the foot unlocks and spreads. This motion causes collisions between the high spots on the foot and the footwear that contains it. The instability stretches connective tissue and causes strain and discomfort. When the seed is planted early, as the fitter moves through the process, loop back to the footbed and add it on. It dramatically increases the take on the sale and provides a compelling reason for the client to return for future purchases."

A previous bad experience with an insole that has been made by a less-skilled technician can be a challenge for an associate to overcome. But Gleason believes insoles are key to comfort and performance in ski boots.

"The foot evolved to be a mobile adaptor," said Gleason. "When the foot is loaded, the mid-foot unlocks. The result is motion in the ankle, rotation of the tibia, stretching of the arch, and outward twist (abduction) in the fore-foot. These motions are the major cause of pain in ski boots. Control these motions and most fit problems are reduced or eliminated. Holding the foot stationary with a footbed allows success in stretching, grinding, or successfully repadding a ski boot."



Dale Harris, President, SportMed Retail Group

### SPORTMED RETAIL GROUP VANCOUVER, BC

SportMed Retail Group is described by its president, Dale Harris, as a "home health-care store," offering a wide variety of bracing and rehabilitation products. Medical referrals support much of its business.

In footcare, the four locations build custom orthotics but look to OTC insoles to provide a less expensive alternative that could work well enough for budget-minded patients. Sole and Superfeet pre-fab OTC insoles that cost around \$50 in SportMed's markets while a custom-made device generally costs \$400 to \$500.

Another option is a modified OTC that costs \$175. Customers go through the same assessment made for a custom-made device. A "minilab" in each location, which Harris likened to a workbench in a shoe repair store, then adds foams, metatarsal pads, top covers, and other materials for a customized fit. Noting that orthotics "are not by any means a precise science," a six-month follow-up is also included for any further adjustments.

Like any well-made custom device, Harris looks for an OTC insole that has an arch that will meet the arch of the foot and also supports the rear foot through heel strike and mid-stance. Said Harris, "The Sole and Superfeet brands work really well for us because they present that anatomical shape."

On the floor, Harris sees that customers initially find the extra support to feel strange and that takes some explaining. "As long as it's not uncomfortable or painful, you're going to get used to that and you're going to find you really like it. It's going to offer you some benefit you didn't get from the flimsy device that came with your shoe."

He also noted that once customers understand the benefits of insoles for their athletic shoes, they would frequently come to buy them for their dress and casual shoes. SportMed also does a healthy business selling Sole flip-flops.

Harris is concerned that products over the last few years have arrived to enable running and walking stores to modify insoles. He believes stores are "taking on categories they're not trained to handle." For instance, fitters have to understand the different biomechanics involved in skiing versus running.

"Running is more of a heel-to-toe action and trying to control that foot through heel strike and mid-stance," said Harris. "Skiing is more edging."

Harris also cautioned that an insole is only as good as the shoe it's put in.

"If the shoe breaks down, it's like building a structure of a fantastic house on swampland," said Harris. "The house is just going to collapse into the swamp. And that's the same thing with the shoe. If it doesn't have some basic design features – heel counter, torsional rigidity, a reasonably-straight last, etc., those insoles aren't going to function as designed."

### NEW BALANCE | ST. LOUIS, MO

Mike Morey, the head buyer for New Balance stores in Tulsa and Edmond, OK; Baton Rouge, LA; Cardiff by the Sea, CA; Huntsville, AL; and Littleton and Cherry Creek, CO; has seen his insole business grow with relationship building with local doctors and subsequent referrals.

"The products have become more advanced and have true specific functions and offer benefits to the customers," said Morey. "We also attribute growth in the category to our staff becoming more aware and educated on the benefits and features of inserts to go along with certain shoes and foot types."



Photo courtesy New Balance

New Balance stores, which sell New Balance-branded inserts and orthotics, use a foot scanner that shows a detailed foot and arch analysis of the customer's feet. It offers a view of pressure points under the foot as well as arch type and shape.

"This is a very effective tool to show the detail to the customer as they stand on the machine to point out their foot as they have typically never seen before," said Morey. "Our associates are able to explain how an insole can help their foot type in need or just add some enhanced cushion and support beyond the shoe. As the shoe will fit their length and width, the insert will fit their arch type. We leave it to the customer to decide after educating them, and let them try the shoe with one insole in and the other insole out, to get a clear understanding for the difference they feel, whether they like the fit and feel or not."

Morey likewise added that most customers come in to see New Balance footwear, with little knowledge or understanding of insoles, how they work and benefits and features to them. He added, "It is our job to educate them on everything we have to offer to allow them to get a true experience and leave feeling more comfortable and knowledgeable than they did when they walked in."

## ATHLETIC SOLES | PETALUMA, CA

"I am 57 and an 'All World' level triathlete," said Holly Wick, co-owner of Athletic Soles. "The truth is that without an insole, I would not be able to run at all. I wear custom orthotics in my running shoes."

She wears and sells only Superfeet because they suit different arch heights and fit in a variety of shoes.

"We see folks with plantar fasciitis every day," said Wick. "All ages, all foot types. The Superfeet seem to do the trick. I can't tell you how many customers have hugged me as thanks for relieving their pain!"

The key to selling insoles, she sees, is simply getting it into the customer's shoes to let them directly experience the arch support.

"Yeah, cavemen didn't wear insoles, but cavemen didn't walk or stand all day on hard surfaces like we do," stated Wick. "If we all lived on the beach, we wouldn't need them."



Holly Wick, Co-owner,  
Athletic Soles

She said nearly all shoes don't have orthotics built in partly because it's too expensive, but it's also not feasible since individuals have different arch height needs.

"The key is believing in the product," added Wick. "I have a young, elite athlete who really couldn't sell them. That was until he ending up with Plantar Fasciitis. I gave him a pair, and now he can sell them!"

## COOL COMFORT SHOES FRANKFORT, KY

Insoles are the number-one profit center for Cool Comfort Shoes because they work, said Co-owner Jim Sheridan. "We credit our ability



to sell good insoles with a lot of the quality word-of-mouth referrals we get that build our store volume," he added.

The store has three certified pedorthists who not only explain the benefits of insoles to medical customers but also instill confidence with the store's sales staff in dealing with problem feet. The staff's initial focus in the fit process is simply explaining that manufacturers must put a "very generic" insole in their shoes because everyone's feet are so individual.

"The only function of OEM insoles is to feel good at point-of-sale," said Sheridan. "Our staff must explain why we can customize their experience with the right insole. Then it's ours responsibility to give our customers the opportunity to try our suggestions."

Powerstep, Spenco, Lycos and FootBalance fill-out the store's insole lineup. Its top-selling line is Powerstep, followed closely by custom-made FootBalance orthotics. Added Sheridan, "Having the ability to make a true custom athletic insole with FootBalance for under \$100 also puts us in a very elite level of service."

Both Powerstep and FootBalance also come with an unconditional satisfaction guarantee.

"Probably the best endorsement of our sales with replacement insoles is that a high percentage of our customers continue to return to buy additional pairs on future visits," said Sheridan. "That tells me that we are offering a product that works, makes us money, and keeps the customers coming back."

## ALPINE HAUS | WETHERSFIELD, CT

Alpine Haus' footwear business has continually grown with the aid of a more educated consumer and overall strides in boot fitting success.

"Challenges are limited," said Eric Barber, GM and lead bootfitter. "Customers have so much information accessible nowadays via word of mouth testimonies, websites, blogs, and publications that more and more people ask for footbeds now versus even 10 years ago when you would be in mid-conversation about the benefits and look down the boot bench and have heads turned listening in."

The store uses Masterfit's products, including EZ Fit, Zapz, and Instaprint custom footbeds as well as Sidas. It attracts customers from New York and Boston with its bootfitting reputation.

Fitters at the store analyze the forefoot, heel, instep, arch flexibility, as well as other key factors to gauge the specific needs of each individual customer for not only comfort but performance. The store has over 40 boot models on its shoe wall, but the fit evaluation typically narrows that selection down to no more than three models. Fit, customization, and customer needs dictate which footbed is the best choice for the customer.

"Sell-through is a non-issue because we don't view a footbed as an add-on or option," added Barber. "A footbed is the foundation to a proper boot fit and essential to ensure that the customer is starting out with the best comfort, balance, and performance they can expect from a boot," said Barber. "Footbeds and a proper boot fit make you ski better, period."



Carol Gilpin,  
Owner, Fleet  
Feet Sports  
Vacaville, CA

## FLEET FEET SPORTS | VACAVILLE, CA

When Fleet Feet Sports in Vacaville, CA opened 10 years ago it carried three insole brands. With 95 percent of its sales coming from Superfeet, it has since decided to carry only one vendor. Said Owner Carol Gilpin, "Having less choices makes it easier for my staff members to make recommendations, and I feel also that it is less confusing to the customer. As long as the staff knows the difference between the insoles, Superfeet can fit a large majority of feet."

Like others, insoles have become a stan-

dard part of the fitting process in Gilpin's store. "Over half of my customers have overly flexible arches and excessive arch elongation, so they truly will benefit from the rigid insole. If a person has a rigid foot and doesn't need the extra movement management protection that the insole provides, we let them choose whether the footwear feels better with or without the added support," she added.

In explaining their benefits, Gilpin said it's important to stress that the shoe provides the cushioning while the insole manages the motion of the foot in the shoe. "It's like a mattress and box springs - they

work best when bought together and used in combination," she said.

And as long as the sales person knows the Fleet Feet "FIT" process, Gilpin said they should be able to explain insoles to the customer without visual cues.

"We will discuss the role insoles play with every customer," added Gilpin. "My feeling is every customer deserves to get the same information as the last one, and it is their decision whether they want the insole or not."

## ARCHES | TEMPLE, TX

Arches is owned and staffed by a certified pedorthist and has a reputation for helping people with foot pain.

"Most times the customer will come to us because of an issue," said Lynn Reichl, manager. "Plantar fasciitis, heel pain, tired feet, shin splints, etc. They bring it up (people love to talk about their feet!), and we take a look at the feet. From there we most often rely on the Sole product."

Sole is often the OTC insert choice because they come in a variety of thickness levels, fit into many shoes styles, and work well when heat-molded in reshaping if the customer needs it. The store also sells Powerstep and Pro Lab, a more clinical option used only for children on doctor's recommendation.

When selling a running shoe, Arches will first ask the customer if they have any issues with their feet, shins, or knees.

"We look to the shoe to provide cushion and some support, but running shoe inlays, even in the very best of shoes, do not truly support the arch, so unless the person is pain free, we recommend an insert," said Reichl.

Like others, Arches staff takes the running shoe insert out and lays it alongside the insert to demonstrate the difference. A complimentary follow-up is also offered to see if heat-molding will further improve the anatomical alignment, although Reichl estimates 90 to 95 percent of the initial fittings don't need further adjustment. Also supporting sales in the category are incentive contests with staff and Sole's 90-day money-back guarantee.

"As a small store that's a relief," said Reichl. "Returns are so rare with the Sole brand that it's a non-issue, but on the chance someone comes back and says the insert didn't help, I can smile and say "we can refund your money."

## GRAVITY SPORTS | MT. BACHELOR SKI RESORT BEND, OR

Mark Elling, a day-to-day bootfitter at Gravity Sports at Mt. Bachelor Ski Resort in Bend, OR and also owner of a small specialty bootfitting lab in Bend, OR said one hurdle to selling insoles is that most sales associates have never used or have had a less-than-positive experience with them.



Mark Elling

Elling, who works closely with Masterfit and heads up their curriculum program, lets customers know that every member of his staff uses custom footbeds in their boots and shoes. Observations are also offered around what's worked for past customers with similar foot issues. But selling starts with a basic customer assessment of foot flexibility, ankle joint range of motion, and a few other elements. An open conversation and unbiased education helps establish trust with the salesperson.



Photo courtesy Mt. Bachelor Ski Resort

“Just noting whether the arch collapses and foot elongates, (usually a more flexible foot type), or changes very little in arch height or length, (usually more stable/rigid foot type), and saying so to the customer, will change the sales paradigm to more of a solution-based discussion,” said Elling.

For example, he said the staff might say, “You know, most folks with a flexible, collapsible arch like yours like the upgrade to a slightly more supportive insole than the thin piece of foam that comes in that shoe.”

Elling added, “People are so shocked to have a salesperson simply measure their foot and do a quick assessment that they’ll usually buy what you sell them so long as it’s offered in a legitimate effort to help them be a more comfortable, balanced, and successful athlete.”

The benefits of insoles can then be explained. These include better shape match with the bottom of the foot to lighten peak-pressure and reduce fatigue, more stability and support for the more mobile foot type, more cushioning for the more stable/rigid foot type, or a more direct connection/transmission of movement to the sports implement, whether skis, snowboard, skates, or Nordic skis that the insole is supporting.

Customers are also told the custom footbed will always be better than the pre-fab orthotic, regardless of their foot type, and that they can last several years. An upgrade from a pre-fab to a custom option is also offered down the road. Said Elling, “I always give them a reason to come back and seek a slightly better fit or additional performance advantage.” ■

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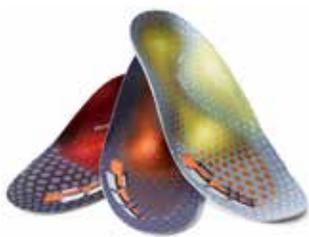


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PRODUCT SHOWCASE



**Icebug Archflex Slim | \$45**

Designed by the leading Scandinavian orthopedics lab, the Premier offers 5mm of cushioning combined with a 360-degree support system. Polyurethane foam layer offers extra comfort and shock absorption. The Slim features 2mm of cushioning and is designed for footwear where volume is an issue.



**Sole Ultra | \$45**

Features a 3.2mm layer of Softec cushioning added to the moldable EVA base layer and moisture-wicking top sheet. Ideal for loose-fitting footwear or specialized activities where maximum cushioning is preferred.



**Sorbothane Ultra Sole Performance Replacement Insole | \$30**

Absorbs shock, returns energy, and provides long lasting comfort. The Ultra Sole combines a molded air-infused foam base with a pure Sorbothane heel inlay for shock absorption and impact protection. Strategically placed Sorbothane Gel forefoot pad adds cushioning and energy return.



**10-Seconds Arch 1000 | \$35**

Features an anatomically shaped arch and deep heel cup; Poron Cellular Urethane shock absorption that doesn't harden like PVC foam, breakdown like Latex, or reduce to a permanent compressed state like EVA foam, anti-blister and Biostatic antimicrobial top cover.



**Sof Sole FIT Insole | \$40**

Redesigned for comfort and stability and featuring shock-absorbing EVA foam density for each arch type (low, neutral, high); more stabilizing heel and arch plates; and a softer more comfortable top cover. FIT helps to promote the natural biomechanics of an individual's unique stride to improve footwear fit, performance and comfort.



**Currexsole RunPro | \$50**

Features a deep heel cup, triple layers for optimum moisture wicking, 3D DAT mid-sole bridge supports, guides, and reduces excess movement. Poron supports initial foot contact.



**PowerStep Pinnacle Pink | \$38**

Provides foot control, flexibility, and cushioning with an encapsulated firm but flexible support shell, built-in arch support, and heel cradle for motion control. Plush cushioning with VCT Technology provides targeted and controlled cushioning with a soft, supportive feel. Also features a heat and friction reducing, anti-microbial top fabric.



**Masterfit QuikBed | \$43 (blanks); \$130-\$195 (complete)**

The QuikBeds system lets retailers create custom insoles in less than 15 minutes with minimal staff training. Capital investment in tooling is under \$1500. Models for gait sports (hiking, running, etc.), skiing/snowboarding and cycling are available.



**Sidas 3Feet Active Series | \$50**

Features a shell to support low, medium and high arches, an under heel gel pad for cushioning, forefoot perforations for breathability, and constructed for dynamic action to aid forefoot propulsion. A winter version integrates an aluminum film on the forefoot for an added layer of insulation.



**New Balance (from Hickory Brands) NB Supportive Cushioning Insole | \$45**

Features Absorb Inserts for maximum shock absorption and cushioning at the heel and forefoot; contoured shape of the metatarsal arch rise helps prevent and provide relief from plantar fasciitis, Morton's neuroma and metatarsalgia; anti-blister and anti-microbial top cover keeps insoles odor free.



**Spenco Total Support Insoles | \$40**

Come in Thin, Original and Max and feature the 3-POD Modulation System positioned with varying degrees of hardness beneath key areas of the foot. Total Support Insoles change the ground forces reaching the foot during activity tuning the ride for performance and helping to reduce over-pronation.



**Footbalance Dynamic Blue | \$80**

Offers robust shock absorption with moderate support with each insole individually custom molded in under 10 minutes.

**JANUARY**

- 6-9 SFIA Sports Tech Conference & Marketplace  
Las Vegas, NV
- 8-10 ATA Trade Show  
Indianapolis, IN
- 8-10 Surf Expo  
Orlando, FL
- 13-17 NBS Winter Market  
Fort Worth, TX
- 14-16 Sports Licensing & Tailgate Show  
Las Vegas, NV
- 16-18 Imprinted Sportswear Show  
Long Beach, CA
- 20-23 SHOT Show  
Las Vegas, NV
- 20 All Mountain Demo Day  
Solitude, UT
- 21-24 Outdoor Retailer Winter Market  
Salt Lake City, UT
- 29-Feb 1 SIA Snow Show  
Denver, CO

**FEBRUARY**

- 2-3 SIA On-Snow Demo Ski-Ride Fest & Nordic Demo  
Copper Mountain Resort, CO
- 3-5 FFANY  
New York, NY
- 5-8 ISPO  
Munich, Germany
- 8-12 Worldwide Spring Show  
Reno, NV
- 18-21 Sports Inc. Outdoor Show  
Phoenix, AZ
- 18-23 NBS Spring Semi-Annual Market  
Fort Worth, TX

**MARCH**

- 3-4 SFIA National Health Through Fitness Day  
Washington, D.C.
- 13-15 Imprinted Sportswear Show  
Atlantic City, NJ

**MAY**

- 3-6 NSGA Management conference and Team Dealer Summit  
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