

Will It Be Gold?

When the Winter Games open in Vancouver next month, footwear brands will be hoping for a win. << By Jennifer Ernst Beaudry

As the Olympic flame has made its way from Athens to Vancouver, British Columbia, some market watchers have asked: Is the torch for brand building during the games flickering?

The Winter Olympics, opening next month, focuses the world spotlight on the ski slopes and ice rinks — with an attendant concentration in the media on athletes. NBC Universal has announced it will air more than 825 hours of Olympic coverage on its networks (more than the Turin and Salt Lake City games combined), and has been heavily promoting its coverage. But a slow start to ad sales has meant the network is taking a hit in the wallet. Jeffrey Immelt, president of NBC parent company General Electric, has been quoted as saying the network will probably lose “a couple hundred million bucks” on the event.

Despite the drop in ad dollars, many footwear companies are still working hard to get their product front and center.

Much of the footwear story in Vancouver will be focused on the technical boots and skates that the athletes use in cold weather. Two major athletic brands have rolled out new technical footwear for the event — Adidas is debuting a luge shoe that has been remodeled to allow athletes to walk more easily, and Nike is creating a shoe specifically for skeleton athlete Katie Uhlaender, neither of which will be commercially available.

But for many companies, opportunities to tout their athletes or promote a new technology that can be then sold to the masses could be challenging.

Sam Poser, an analyst at Sterne Agee who covers the outdoor and athletic markets, said that it's difficult for a company's products or logos to make a big splash. “I would say that's more the rule, not the exception,” he said. “[For most companies], it's a big nada.”

That hasn't stopped brands from trying to get exposure. New York fashion house Ralph Lauren is again providing the official looks for the opening ceremony

— traditionally one of the most-watched segments — for the U.S. Olympic and Paralympic teams, as well as creating a line of casual looks for wear in the Olympic Village. Items from both collections, including full-grain leather boots with the Olympic logo on the shaft, will be available next month at Ralph Lauren stores,

as well as select Macy's in the U.S. and Hudson's Bay locations in Canada.

That's a strategy that can have some payoff, according to Matt Powell, an analyst at SportsOneSource. “Exposure on television is always a good thing for brands. I'm not sure there's a lot of value beyond that,”



Clockwise from top: A Dayton Boots ad plays up the brand's Canadian roots; BC Stadium will host the opening ceremony; and Creative Recreation styles for Olympic volunteers.

he said. “But if you want to get people's attention, then it starts to have some validity.”

L.A.-based sneaker brand Creative Recreation is getting in on the action behind the scenes, working with one of the games' major sponsors to shoe the company's male and female volunteers. (Olympic Committee advertising regulations prevent Creative Rec from identifying the partner.) The prestige of the association can pay off, said Christian Lafabre, of FLEF Industries, the Canadian distributor of Creative Rec, who played down the sales effect of the deal. “We expect some positive impact on a regional



level from the people who will be there onsite, but I don't foresee anything [major],” he said, adding that he also does not expect the move to broaden distribution. (The brand is currently sold in Canadian department store Holt Renfrew and key independents, including Vancouver shop Gravity Pope.) However, he said, working with a major corporate partner and with the Olympics gives the fledgling brand credibility.

“It's a great way for us to benefit from the worldwide brand exposure we [otherwise] cannot afford right now,” Lafabre said.

Vancouver-manufactured Dayton Boots has a similar goal: to take advantage of America's attention on Vancouver to penetrate the U.S. and world markets.

“What we want to do is take advantage of the same kind of energy and endorsement that [Ugg] enjoyed from the games in Sydney,” Stephen Encarnacao, CEO of Dayton, told Footwear News. “It was a halo equation — Aussies are cool; Aussies wear Uggs. What we're hoping for is Canadians are cool, and real Canadians wear Daytons.” To capitalize, he said, the brand has advertised in *Men's Journal*.

However, Encarnacao said, there are no guarantees that those efforts will directly impact sales or even awareness. In fact, he added that he has been surprised by the lack of media coverage of the local community and local businesses.

Still, Encarnacao said Dayton's store, which coexists with the brand's factory showroom in East Vancouver, will run additional promotions to bring in people.

“[But] I don't expect to see the kinds of crowds that have been projected,” he said.

And opportunities from the local Olympic Organizing Committee have made many local businesses wary of invoking the name of the games at all. At the Vancouver locations of John Fluevog, sneakers store, “John Fluevog Vancouver welcomes the world to the event we can't say” (with the first five Os designed to resemble the famous rings in the event's logo).

Stephen Bailey, marketing director at John Fluevog, said the store belatedly inventory at the two Vancouver locations, “but we have made a point of buying heavier in things we have already proven [to sell], which is unusual for us, to play it safe,” he said. And Bailey added that the shop would almost certainly place a display in its 50-foot windows to play up the brand's Canadian heritage while welcoming visitors to the city.

“It seems silly not to wrap [that window] to our advantage,” he said. “But we don't really know [if it will help]. We'll find out after it's over.”