

Performance Sports **RETAILER**

News and Information for the Running and Triathlon Market

A SportsOneSource Trade Publication

October 2008

New Balance Names General Manager for Running and Outdoor

New Balance named Tom Carleo as general manager for the running and outdoor business units. Carleo has more than 20 years of experience working in the global footwear industry, including his most recent role as SVP product for Saucony. He also served Nike for more than six years in global product director positions. Carleo ran track and field for Boston College and competed in the 1988 U.S. Olympic Trials qualifier in the 1500 meters.



In addition, New Balance named Mark Cavanaugh, most recently global director of sports marketing for Nike Bauer Hockey, as SBU manager for sport and outdoor. Both Carleo and Cavanaugh will report to Ray Hilvert, general manager for footwear.

"Product is the true hero of the New Balance brand and Tom and Mark's expertise and leadership will play a key role in helping us continue to create the best footwear product in the industry," says Joe Preston, EVP, global footwear, product and marketing at New Balance.

Saucony Launches New Campaign: "We Know... Because We Run"



Saucony announced the launch of a new brand campaign, called "We know... Because we run," slated to break in national vertical running publications in November. The integrated multimedia campaign includes print, online, retail and event initiatives.

Saucony says the print campaign "captures many of the defining moments shared by the running community."

The first ad features the ProGrid Triumph 6 and will break in the November issues of Runner's World and Running Times. The copy reads, "We know 26.2 is the short part. Because we run." The second ad will begin running in February 2009 and showcases the ProGrid Guide 2, stating, "We know runs end. But being a runner never stops. Because we run."

Saucony's online media buy will launch with www.runnersworld.com in October 2008 and includes sponsorship of the website's e-newsletter and Quote of the Day and MileSplit features.

Using a similar graphic look with a black background and red copy, Saucony also launched its new online initiative, www.saucony.com/weknow on October 1. Consumers can enter a contest by submitting their own "We know... Because we run" concept. Prizes include Saucony products and the chance to have their idea used in a future "We know... Because we run" creative execution.

Saucony will reinforce its marketing with event sponsorships, including booths at the Chicago and New York City marathons the invites runners to write their own "we know" concepts. Campaign graphics will also be featured at participating specialty run retailers.

"This campaign underscores the exciting momentum in both our footwear and apparel businesses, while simultaneously communicating the collective passion and emotional kinship that we share with runners everywhere," said Mary O'Brien, Saucony's VP of marketing.

Inside PSR

- **Asics:** introduces limited edition for NYC Marathon
- **Wrapped Tight:** Compression apparel aids performance and speeds recovery
- **Harassment:** Current thoughts on managing sexual harassment polices

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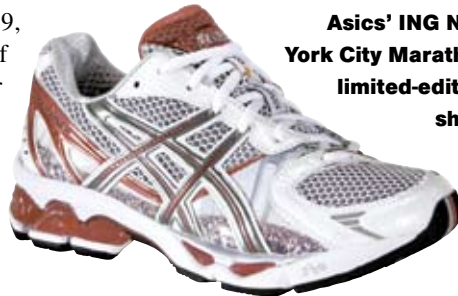
Asics Introduces Limited Edition Kayanos for NYC Marathon

In celebration of the 15-year anniversary of the Gel-Kayano, Asics will introduce an authorized ING New York City Marathon limited-edition during the 2008 race. The model will feature an image of runners crossing the Verrazano-Narrows bridge, specially embossed ING New York City Marathon laces, and an insole featuring an image of the five-boroughs course map.



This official licensed version will only be available at the Asics Marathon Store within the ING New York City Marathon Expo on October 30 November 1, 2008, and, for a limited time, in selected authorized Asics retailers in New York City. The suggested retail will be \$180.

The full range of Gel-Kayano 15 shoes will be available January 1, 2009, with a suggested retail price of \$140. The new shoe has a lighter platform weighing in at 12.8 oz., almost one ounce lighter than the previous version, thanks to an injection-molded Solyte midsole material.



Asics' ING New York City Marathon limited-edition shoe.

K-Swiss Sponsors The Ford Ironman World Championship

K-Swiss, making a big push to get back into the running category, signed on as the official run course sponsor for the recently completed Ford Ironman World Championship in Kailua-Kona, Hawaii.



Seven world-class athletes represented K-Swiss U.S.A. and Australia. The brand hosted daily athlete clinics, sponsored events and threw a post-race celebration.

K-Swiss also introduced an early-issue, commemorative printed K-Ona performance shoe for men and women, making fewer than 500 pairs available. The limited-edition distribution served as a sneak preview for the retail launch slated for Spring 2009. Athletes wearing

the K-Ona at the event included Chris Lieto, Matt Lieto, Luke McKenzie, Paul Amey, Leanda Cave, Katya Meyers and Kim Loeffler.

K-Swiss sports marketing director, Erik Vervloet, said, "The K-Ona is the culmination of design input from today's top competitors; they have been tested and proven by all our athletes."

The commemorative K-Ona will retail in both men's and women's styles for \$120 in the Ironman Blue and White, and \$110 for U.S.A. and Australian flag styles. With the slowdown in its classic styles, K-Swiss began diversifying into performance tennis, running and boating styles for 2008. The major focus in running has been on triathlons.



Newton Running Introduces Motion All-Weather Shoe

Newton Running plans to introduce a new Motion All-Weather Shoe, a technically advanced, lightweight trainer, designed for damp and chilly weather. The shoe features a breathable, water-repellant upper, a sticky rubber outsole tuned for cold temperatures and a unique universal stability system.

"This shoe is the natural evolution of our technology and a response to lots of customer feedback," states Newton co-founder Danny Abshire. "Serious

runners don't let a little

bad weather keep them from going outside on a run and now they can enjoy Newton's forefoot/midfoot technology without getting cold feet."



Newton has adjusted its patented technology in the shoe specifically for colder temperatures. Designers spent months testing the slip resistance of the outsole and

tuning midsole foam formulations to create the ideal level of responsiveness when the temperature drops. As the days get shorter, highly reflective logos and trim on the shoes increases safety in low light conditions.

The Motion All-Weather shoe also features bilateral posting in the midsole providing stability and a high level of cushioning for all foot strike types. The shoe will retail for \$175 and will be available at selected specialty retailers, or online at www.newtonrunning.com, in mid-November.

Boulder Running Earns Entrepreneurs Award

The Boulder Chamber of Commerce honored Johnny Halberstadt and Mark Plaatjes, of Boulder Running Company, as its entrepreneurs of the year. The 24th annual honors were presented Oct. 7 at the Omni Interlocken Hotel Resort and Spa in Broomfield, CO. The retailer has three locations in Boulder, Denver and Colorado Springs.

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Treadmill Sales Keep Rolling

Treadmills remain popular among fitness enthusiasts, walkers and runners. According to the Sporting Goods Manufacturers Association's fitness study, Tracking the Fitness Movement (2008 edition), the treadmill is number one in sales for the fitness equipment category.

In 2007, there were 50.1 million Americans who used a treadmill. In the entire fitness/exercise category, only "working out free weights" and "walking for fitness" attracted more participants – 57.7 million and 108.7 million, respectively. Wholesale sales of treadmills exceeded \$1 billion.

Other findings from the report include:

- **STAYING ACTIVE** There are more people over the age of 35 (29.8 million) using a treadmill than under the age of 35 (20.3 million).
- **GENDER** 56 percent of all treadmill participants are female.
- **MOTIVATED PARTICIPANTS** Of the 50.1 million treadmill users, 29.8 million (58 percent) are considered "core" participants, i.e. somebody using the treadmill 50 days or more a year.
- **CATEGORY LEADER** There are 18.5 million "frequent" users of a treadmill (i.e. those using the machine 100 days or more a year) which is more than the total participation for fitness/competitive swimming (18.4 million), yoga/tai chi (14.8 million), stair-climbing machines (13.5 million), aquatic exercise (9.8 million), Pilates training (9.2 million), rowing machines (8.8 million), calisthenics (7.6 million), cardio kickboxing (4.8 million), and cross country ski machines (3.7 million).
- **SOARING SALES** Wholesale sales of treadmills (for use at home, in clubs, and in schools and institutions) were \$1.25 billion, in 2007.
- **HOME SWEET HOME** Nearly half (47 percent) of all treadmill users work out on a treadmill more often at home.

CW-X Partners with American Trail Running Association

Wacoal Sports Science Corp. entered into an agreement with the Teva U.S. Mountain Running Team to provide its CW-X Conditioning Wear running tights for the 2009 team. Teva has been the title sponsor and provided the team's official footwear since 2002. The 2009 team recently competed in the 25th World Mountain Running Championships in Europe.

"For almost six years since we introduced CW-X in the U.S., we had



been receiving glowing testimonials from explorers, adventurers and elite mountain runners," says John L.A. Wilson, president and COO of Wacoal Sports Science Corp. "The new relationship with this hard-core team of mountain runners will provide us with an opportunity to effectively demonstrate product performance in harsh conditions."

Adds Nancy Hobbs, manager of the Teva U.S. Mountain Running Team, "In

the coming year we will work closely with the staff at Wacoal Sports Science to create more awareness for their brand through their relationship with the mountain team."

CW-X is also endorsed by the Canadian Alpine and Para-Alpine ski teams, the U.S. luge team and world-class athletes in a variety of outdoor endurance sports, including adventure racing teams, mountain climbers, ultra distance racers and the company's Sports Medicine Advisory Board.



In late September, Asics held a celebration at Sun Studio in New York City honoring four of its endorsers who competed in the Beijing Olympics for the U.S. The Olympians were Deena Kastor (women's marathon), Ryan Hall (men's marathon), Lolo Jones (100-meter hurdles) and Diana Pickler (heptathlon). Here, Jim Monahan, VP, footwear, Asics America, and Kastor.

NRF Calls on Congress To Pass Stimulus Legislation

The National Retail Federation called on Congress to hold a "lame duck" session to address the nation's economy as soon as possible after the November elections, and to include tax relief for consumers in any economic stimulus package.

"The United States is in the midst of a national crisis," NRF president and CEO Tracy Mullin said. "Consumer confidence has been badly eroded by the foundering economy and instability of the financial markets. Because consumer spending represents two-thirds of GDP and supports tens of millions of jobs, it is difficult, if not impossible, to foresee an improvement in overall economic growth until consumer confidence and spending improve."

Mullin made her comments came in a letter to the majority and minority leadership in the U.S. House and Senate. Pelosi said this week that the House is considering a session after the Nov. 4 elections to consider economic stimulus legislation. The Senate is already scheduled to return November 17, although the agenda for the Senate session has not been determined.

Retailers are facing the slowest holiday growth in six years. NRF's annual forecast predicts sales

will rise 2.2 percent to \$470.4 billion, but that would be the slowest growth since 2002, when holiday sales rose 1.3 percent. The 10-year average is 4.4 percent.

Timex to Sponsor NYC Marathon

Timex Group USA, Inc., has signed on as the official timing sponsor of the ING New York City Marathon from 2008 through 2011, as part of the company's ongoing initiative to increase the awareness of its state-of-the-art sports and fashion products.

As the official timing sponsor, Timex will be identified on all three start and finish clocks, the split time clocks at the 5k, 10k, 13.1m and 20m marks, and clocks on top of the lead vehicles for the men's, women's and wheelchair races. In 2009, Timex will unveil an officially licensed timepiece bearing the official ING New York City Marathon logo.

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Still Running Strong

Will a lagging economy stem the growth of one of America's most popular sports?

By Kyle J. Conrad

In its annual State of the Sport series, Running USA examines how patterns in corporate, consumer and running behavior have changed over the past decade and what lies ahead for participants and the industry as a whole. The running industry has seen steady growth over the last decade, but the regression of the economy has spawned doubts that participation numbers can sustain their current pace.

According to Running USA's report, running ranked fourth on the list of "Hottest Sports for Sales Growth in 2008." Likewise, the Sporting Goods Manufacturers Association reports that running products topped the list for "Top-Selling Shoe Style," increasing 5.3 percent from 2006. An NPD report, however, notes that 2007 is the first year that the majority of consumer spending doesn't reside with running-style shoes. Instead, consumers have opted for more inexpensive low-performance shoes.

Predictably, use of the Internet as a sales channel continues to grow, accounting for 8 percent of running shoe sales in 2007. The report also emphasizes the impact of the Nike+ concept on the running market, noting that the ad campaign, social network website, and products are reinventing the sport of running.

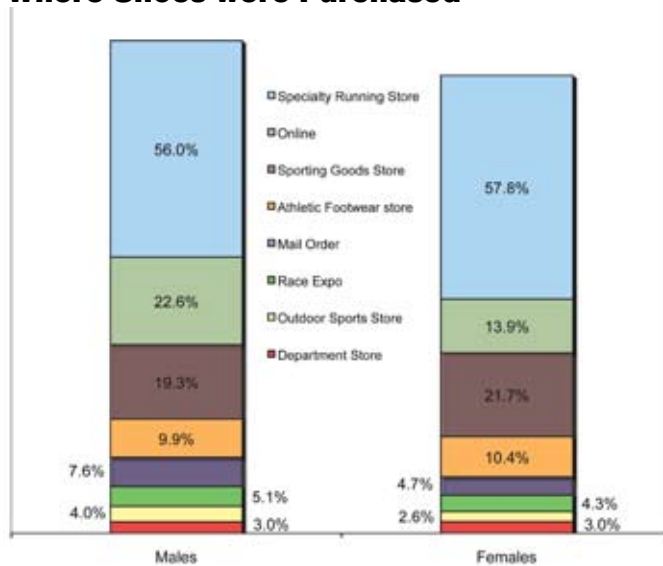


Ryan Lamppa

Ryan Lamppa, a researcher for Running USA, doesn't think the waning economy will have a major effect on participation. "Being out there and running gets [people] away from the problems of the world, and it's a way to [relieve] stress," Lamppa says. He is "reasonably hopeful" that the state of the economy own't significantly impact running participation.

Regarding retailers, Lamppa says runners will likely be more mindful of the amount of money they spend on running products. "It will have an impact on the product side of the industry, but I hope it's not too [significant]," Lamppa says.

Where Shoes were Purchased



The survey drew its demographic data from the first National Runner Survey project, conducted by Running USA and the Road Runners Club of America. The surveyed groups were core runners, described as active adults who frequently participate in running.

Notably, research shows that the average female long distance runner is 39 and married without children. Nearly 80 percent have college degrees and 64 percent have household incomes of \$75,000 or more. The average male long distance runner is 45 and married without children. Of this group, 80 percent have college degrees and 57 percent have household incomes of \$100,000 or more.

Over the past two decades, the running industry has continued to see steady growth in the number of women participants. Lamppa says the ongoing influx of "new blood" has been a driving force for the sport, and adds that he doesn't expect growth to curtail any time soon. Because running is a relatively inexpensive sport, prognosticators like Lamppa maintain that the current state of the economy will have a minimal effect on growth.

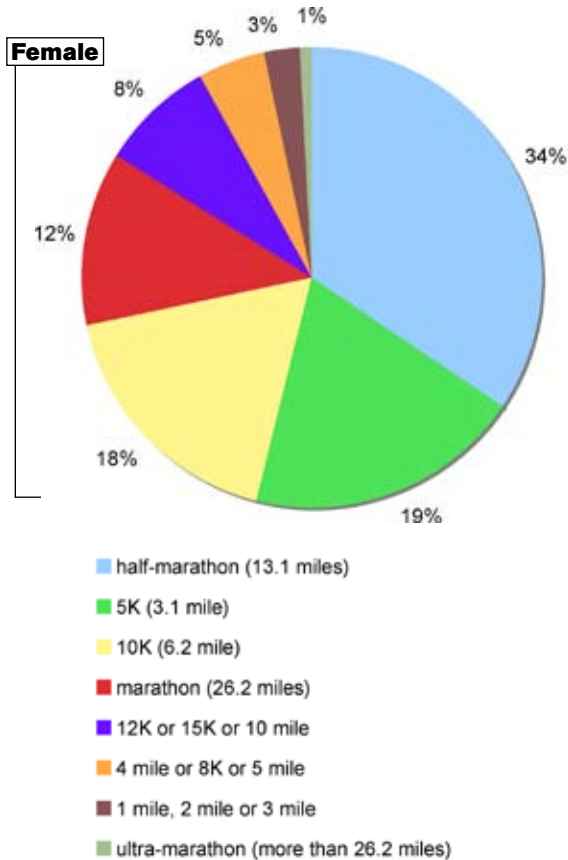
According to Running USA's Road Running Information Center, the number of finishers in U.S. road races continues to increase, with 2007 showing a record 8.9 million finishers – a 4 percent spike from 2006. Since 2003, the half-marathon has been the fastest growing road race in the U.S., but the 5K remains the most popular, comprising more than half of all road races. The report also notes that the number of female runners continues to skyrocket, increasing five-fold since 1987.

Jogging & Running Footwear Sales in U.S.

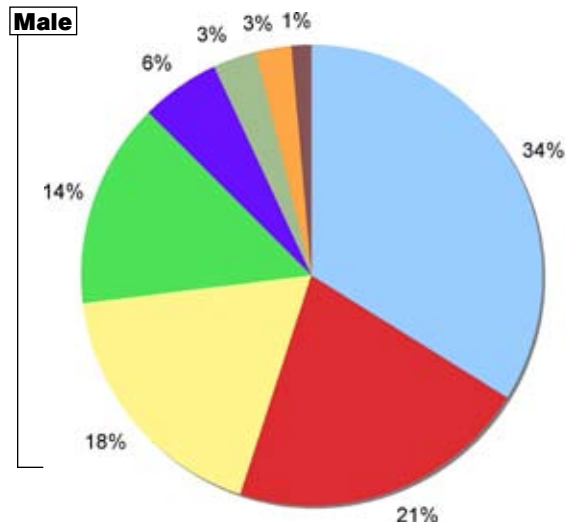
	1987	1997	2006	2007
Footwear Units	28,120	30,431	40,642	39,184
Footwear \$	\$1,023,287	\$1,482,294	\$2,259,781	\$2,192,909
Sales Channels—% of Units				
Dept. Stores	18.20%	14.70%	19.10%	19.20%
General Sp. Goods	20.50%	17.60%	18.00%	17.10%
Specialty Athletic Footwear	27.50%	19.90%	19.00%	16.60%
Discount Stores	19.10%	16.20%	10.60%	12.10%
Family Footwear	n/a	11.70%	11.20%	10.70%
Online/Internet	n/a	n/a	5.40%	8.60%
Factory Outlet	n/a	7.30%	7.00%	7.40%
Specialty Sport Shops	3.20%	4.50%	4.70%	5.50%
Mail Order	2.60%	5.20%	1.80%	1.10%

Source: NSGA

Favorite Race Distances



When asked what factors will determine event participation in the future, runners ranked "Distance" second, behind only "Convenient Location."



Since 1987, participants in the 100 largest road races in the nation have increased 60 percent – from 687,955 to 1,100,746 – and, for the first time since the report began, there were two 15K races with more than 10,000 finishers (the Gate River Run and the Utica Boilermaker Road Race.)

According to the report, the youth component of the sport has remained especially stable and has demonstrated recent growth comparable to that of adults. Race directors have made efforts to appeal to younger runners by emphasizing the non-competitive aspect of races, adding fun elements like climbing walls, face painting and prize drawings in order to downplay competition. As a result, there has been a steady increase of young participants in 5Ks, 10Ks, half-marathons and marathons.

"Now, anybody's welcome, and that's why the number has [grown]. It has the appeal of being universal," Lamppa says.

Lamppa stresses that obesity in America has become an "epidemic" and, as a result, race organizers have begun to stress health and fun instead of promoting competitive goals.

Likewise, the National Federation of State High School Associations reported an increase in both track and field, and cross country runners. The SGMA, however, warns that the industry should not expect continued growth from school team sports. Data suggests that team sports participation was boosted by an influx of female participation in the '90s, and that growth of female participation for high school running teams has begun to taper.

Reasons Females Started to Run

Weight concerns	22.9%
Family/friend encouragement	19.6%
Competed in school and never stopped	12.0%
To relieve stress	11.3%
Health concerns other than weight	8.0%
To get in shape for another sport	5.7%
To prepare for a charity fundraising event	4.7%

Reason Males Started to Run

Weight concerns	19.9%
Family/friend encouragement	16.5%
Competed in school and never stopped	15.0%
To relieve stress	12.7%
Health concerns other than weight	9.6%
To get in shape for another sport	7.7%
To prepare for a charity fundraising event	2.5%

Source: Running USA

Aetrex iSteps it into Running Specialty

As the iStep foot-scanning system rolls out across the running channel, Aetrex's orthotics and footwear lines gain greater acceptance.

By Thomas J. Ryan

Aetrex Worldwide, Inc., founded in 1946, is well known in the medical community for its groundbreaking innovations in pedorthic footwear and foot orthotics. But in running specialty, the company is basically known as “the iStep guys.” Since its launch in 2002, iStep has become the leading digital foot analysis system, expanding rapidly across the running specialty channel.

Featuring patented foot-scanning technology for both the retail and medical communities, Aetrex developed the iStep to help consumers identify their arch types, shoe sizes and pressure points. The “three essentials,” as they are known in the pedorthic industry, provide guidance to custom select the ideal footwear and orthotics for customers’ feet.

About four years ago, Aetrex started introducing iStep into running specialty, and expansion has taken off over the last two years. The warm reception to iStep is helping Aetrex bring its orthotics, footwear and sock lines into to the channel, as well.

“With the iStep, you stand on this machine and you capture the ‘three essentials’ in about 10 or 15 seconds, and then it custom selects the orthotic or shoe model that is ideal for your feet based on foot type,” says Larry Schwartz, CEO of the family-run company. Although the system may recommend one of Aetrex’s well-known Lynco orthotic models or an Aetrex running shoe, it can be customized to include other brands. Stores can buy the system, rent it for a nominal fee (\$200 per month) or get it for free, depending on the package of products included.



“We’re helping retailers further connect with runners,” says Schwartz. “If all you’re doing is measuring the foot, that’s not really doing anything more than other retailers and that’s not really enough. You should identify arch type and pressure point. That’s a big thing for runners. You shouldn’t just measure the foot.”

Moreover, iStep helps smaller comfort- and family-shoe retailers differentiate themselves in the marketplace and serves the same purpose for many running shops, such as Florida’s Fit2Run and Georgia’s Big Peach Running. In all, Aetrex has established more than 5,000 systems throughout the world in six years.

“In today’s retail environment, these running retailers and independent retailers, in general, have all these difficult circumstances,” says Schwartz. “They’re dealing with e-commerce, which is a threat for them because more and more consumers are buying online and, of course, they’re dealing with the consolidation and competing against the big chains. So the way for a running retailer to survive is to offer unique experiences for these consumers that they can’t get in other markets.”

The iStep also features a host of marketing tools, allowing stores to begin building a database as soon as a customer steps on the machine. Retailers can use this stored information to stay in touch with customers or to send special targeted promotions.

“There’s a feature where you can e-mail everybody that has flat feet or high-arch feet or those that bought a certain type product,” says Schwartz. “Combined with the evaluation features, iStep really is something that can change the way you do business within the store. It’s a great tool.”



Running specialty retailers using the iStep can identify appropriate shoe models for their customers in 15 seconds..



The iStep is helping Aetrex gain ground in the running channel for its other footwear products. The company has experienced double-digit growth over last 12 years, thanks to successful technological innovations and favorable demographics.

“You have this aging population that wants to stay on their feet,” says Schwartz. “If you talk to baby boomers, almost all of them are dealing with some sort of nagging injury. So our brand is about helping people to overcome and prevent these injuries. Our slogan is ‘Living my Way.’ We really believe that we can help people to continue to run or continue to do any activity that they love doing.”

Aetrex’s Lynco orthotics line has been the strongest seller into running specialty. Schwartz believes there’s a huge opportunity in inserts as add-on sales for running shops, noting that some stores have built the category into a six-figure business.

“A lot of retailers look at it as an accessory business but orthotics can be a primary profit center for a running retailer,” says Schwartz. “In fact, it should be.”

In running footwear, the Aetrex Zoom and Web Runner series, launched about a year ago, have been selling well. The shoes feature the company’s patented Mozaic insoles technology. The iStep system identifies the areas of a foot that experience the most pressure or discomfort, and Mozaic squares on the insoles are peeled away. The customized Mozaic insole then replaces the existing undersole layer to provide relief.

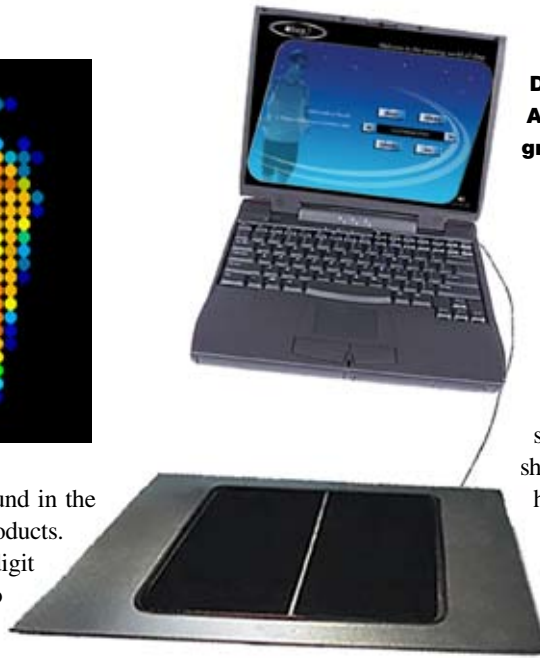
“We want to unload the pressure points where there might be a risk for injury and that’s typically at the ball of the foot or at the big toe, with all the pounding that a runner takes every day,” says Schwartz. “By identifying these pressure points with the iStep band, the Mozaic can actually unload that pressure within the shoe. There’s an immediate benefit for the runner.”

Aetrex’s line of Cooper Socks has also gained some traction in the running community. The product helps rejuvenate the skin and eliminate fungus and bacteria. “Your feet will look younger after wearing the socks for a month,” says Schwartz. “It’s pretty cool.”

Running shops are finding several ways to capitalize on the iStep system.

At Baltimore Running, which does business as Falls Road Running, the iStep adds some excitement to the selling floor.

“There’s a certain ‘Wow!’ factor to it with all the colors,” says James Adams, owner at Baltimore Running, which has had the iStep for about a year-and-a-half. “People want to get on it and get their feet scanned.”



Driven by technical innovations, Aetrex has experienced double-digit growth over the last 12 years.

But it also works as a selling aid. The store does extensive gait analysis and the machine backs up the resulting shoe recommendation.

“It kind of validates what we’re doing,” says Adams. “We’ll tell someone they should be in a stability shoe and he may have doubts. But when we put him on the machine and they see all their pressure points, they’re like, ‘Wow! You’re right.’”

The store doesn’t use the iStep to specifically drive insert sales, focusing instead on getting customers in the right shoe first. But, if the customer

continues to be aggravated in finding the right shoe, the iStep helps find the right insert. The store has done well with the four Lynco sports orthotics lines for customers having arch issues. The store also carries SuperFeet and Spenco, as well as PowerSteps, New Balance Pressure Relief and Sole custom footbeds.

Naperville Running doesn’t use the iStep as the sole determiner of the right shoe for a customer. The fitting process also includes video and treadmill analysis, with particular interest in the ankle joints and knees, says Kris Hartner, owner.

But the iStep, which Naperville Running has had in place for about a year, has clearly helped provide a point of differentiation from nearby running stores and from other shoe retailers. It also helps the store provide customers with a personal fit.

“Probably the biggest thing is that it actually gives us an accurate measure of everybody’s foot size,” adds Hartner. “We also use the Brannock device, which has to be slightly adjusted depending on whether the customer is male or female. So we put our customers on the iStep and it gives us a nice readout. It often further reinforces what we’re suggesting for a customer.”

The iStep system has also drawn attention to footbed sales, and the store has had some success with the Lynco orthotics line. It also aids in the store’s ability to fill doctors’ referrals.

“Their footbeds are \$60, so they’re a little bit more expensive, but the product is very light, comfortable and well made,” says Hartner. “And there are four different options, so it can accommodate a nice range of people.”

Schwartz said Aetrex is just starting to offer footwear solutions for running shops.

“We expect to do great things in this market. We really do,” says Schwartz. “We think, out of all the athletic markets, the running retail space is the one that really matches Aetrex’s strategy. We spend our time and energy talking about creating unique products and technologies for service-oriented retailers who want to differentiate their business against these competitive threats that they face and that is what a running retailer needs. So we think that, as more and more stores hear about the success that our customers are having with iStep, we’re going to keep growing.”

Wrapped Tight

Compression apparel aids performance and speeds recovery.

By Lou Dzierzak and Emmaline Harvey

In the last decade, the clothes athletes wear have changed from grab anything out of the closet utilitarian fashion, to carefully considered pieces of technical equipment. Cotton race-logoed T-shirts have been replaced with technical wicking fabrics that move sweat produced during a hard workout away from your body. Feather-light jackets carried in fanny packs offer respite from a brisk wind and, when the temperature turns cold, waterproof breathable shells keep you comfortable during high intensity aerobic activities.

Recently, the familiar black tights worn by runners, cyclists and cross country skiers have seen dramatic innovations in construction and application, as well as a growing increase in popularity. Two years ago, Jackson Hole Sports ski shop in Teton Village, WY, saw about \$4,000 a year in compression sales, says retail operational manager Larry Hartenstein. Last year, after the addition of more high-end compression apparel, the shop saw \$33,000 in compression sales.

This “compression apparel” was originally marketed to football players by Under Armour. Now the specialized base layers, tops, shorts, tights and socks are offered by brands like Nike, Adidas, Craft, Pearl Izumi, Salomon, Skins, Salomon, CW-X and more. This vast range of brand options is another example of rising consumer interest; an interest many companies attribute to Under Armour’s effective and educational compression marketing campaign.

“Under Armour has definitely been pushing the compression apparel business through their pro sports team development and the way they’ve been marketing the product,” says Salomon softgoods associate Eric Miesch. Agrees Hartenstein, “I really think that Under Armour’s amazing marketing scheme has been able to push out through the NFL and the public is seeing [compression technology.]”

Other companies claim that the interest is just the natural result of an aging consumer. “All the advertising and public awareness campaigns of the last decade or so are finally grabbing hold” remarks Opedix spokesperson Alli Noland. “Baby boomers are sensing their mortality on some level and are encouraged to get healthy, whether it be through some compression garment or [some other way.]” Barry Levinson, director at Ski Racing Development, observes that top downhill ski racers have begun to wear compression apparel and the trend has spread to the fans.

As the name proclaims, the compression apparel fits tight against the body. Even a long-time user of running or cycling tights will notice the snug body-shaping fit. Marketers of compression technology claim their apparel can prevent injuries, speed recovery and improve circulation.

In layman’s terms, compression apparel works by applying pressure to the major muscle groups. The tight weave of the fabric, and the shape and pattern of the panels, compress major muscle groups. The result is increased blood flow during training and racing. Since

the higher blood flow carries more oxygen to your muscles, lactic acid is moved out of your system quicker, preventing fatigue and speeding recovery time. Less fatigue allows you to maintain proper form and potentially avoid injuries.

Compression apparel also helps maintain consistent body temperature. Many new products incorporate technology to moderate wearers’ body temperature, support their joints and even improve their posture.

Every athlete, even a weekend warrior, appreciates a tool that can improve performance or prevent injuries. This season, compression technology can be found in tops, tights and socks appropriate for skiers.

SALOMON

Salomon’s Exo Sensifit technology is made of a breathable, micro-porous film designed to enhance and improve blood oxygenation and muscle recovery through targeted compression. The Exo II Tight covers 70 percent of the leg muscle area involved in running biomechanics. It reduces muscle deformation and energy loss by 20 percent. Miesch says the Exo Sensifit fabric gives the wearer the “best of both worlds” by providing both breathability and muscle support. www.salomonssports.com

The company markets much of their product to trail runners, updating its apparel with these runners’ specific needs in mind. “We’re looking at a stronger seam quality and extra detail [on pants],” says Miesch. “When you’re running on a trail you brush up against stuff.”

SKINS

Developed in Australia in 1996, Skins is body-molded gradient compression performance equipment with built-in BioAcceleration technology. When compression is engineered to apply a balanced and accurate surface pressure over specific body parts, it triggers an acceleration of blood flow.

Skins garments have engineered gradient compression designed and cut to hold muscles against the skeletal frame, and feature distinctive ‘muscle wrapping’ seams. These seams assist to ensure compression levels in the garments’ panels and support muscle



groups through the full range of movement, further increasing power and endurance, and reducing injury. www.skins.net.

CW-X

CW-X brand apparel applies the principles of kinesiology – the study of human movement – to create a line of athletic wear that functions in concert with the body. The VersatX Web Top incorporates an upper body Conditioning Web support structure that specifically targets the trapezius muscles and scapular bones of the upper back. The structure assists in supporting posture and creating more controlled shoulder and arm motion, leading to more efficient movement. VersatX products are made from Dry-Zone fabric, which offers quick-dry moisture wicking and UPF 50+ UV protection through the use of titanium-oxide nanotechnology. Dry-Zone fabric also features anti-bacterial silver nano-composites and four-way stretch comfort.

President and CEO John L.A. Wilson explains the effectiveness of this kinesiology technology in CW-X's products, "[The fabric's design is] based on a taping technique used by physiotherapies in Japan to support athletes when they need support. The Conditioning Web is really an exoskeleton web of support – the webbing is anatomically positioned to provide targeted support to areas where you need it most." www.cw-x.com.

OPEDIX

Opedix offers a different take by targeting a different consumer than most other companies. "What Opedix originally was tapping into was the aging, active person; trying to keep them active for longer," says Noland. "It was created by baby boomer-era brothers with knee surgeries. The company's goal is to keep active people active for longer, supplementing their active pursuits and making them well."

In that vein, Opedix has introduced Wellness Gear, a collection of wearable products that promotes healthy joint alignment, muscle development and strength.



Tested at the Steadman Hawkins Sports Medicine Foundation and Kerlan Jobe Orthopedic Clinic, Opedix offers products proven by scientific studies to improve joint alignment in the knees and shoulders, increasing stability and strength, "unloading" the joints, and reducing wear and tear.

The Opedix Knee Support System uses a patent-pending anchor and sling design to provide support to the outside of the knee. This reduces the amount of damaging outward movement and decreases the stresses or "load" on the knee joint. "Unloading" is the mechanical process by which stresses on the joint are reduced. It is an established strategy for reducing pain and increasing function, strength and stability of the knee. It also mitigates the progression of knee-related issues, including osteoarthritis. "It's subtle but [wearers] can feel a difference," comments Noland. The system helps reduce the weight on wearers' knees by 4 to 7 percent for every mile they run and every turn they take while skiing.

Additionally, the company will reveal its Posture shirt in January 2009. "It's like an invisible mom telling you to stand up straight," remarks Noland. www.opedix.com

X-BIONIC

"Bionic means 'learn from nature;' X-Bionic means to surpass it," explains X-Bionic Brand Manager David Seligman. While many companies focus on moisture wicking to cool the wearer's skin, X-Bionic instead has studied the body's natural cooling system and developed products to aid in that process. The company says this reduces the amount of energy the body must spend regulating temperature during exercise.

"At rest, it takes around 70 percent of body's energy to regulate temperature. [For] endurance athletes, it takes about 97 percent," says Seligman. "While we do have technology that harnesses moisture to take advantage of evaporative cooling, we make sure there's a thin layer of sweat on the body to help with cooling. Conversely, that 3-D knit, when you come to a rest phase, will trap the body's generated warm air, so it actually provides a cushion – insulation so you don't overcool and shiver and waste energy that way."

X-Bionic's builds its new Ski Touring tops with three-dimensional, patent-pending, knitted honeycomb cushion padding on the shoulders and waist to protect from shoulder straps and waist belts on packs. Special padding found in all the tops provides air flow for sweat-sensitive areas, while cushioning and distributing pressure at the same time. www.x-socks.com



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The Language of Harassment

Current thoughts on managing sexual harassment policies.

By Jeannie DeVeney, Spencer Fane Britt & Browne LLP

For the last 20 years or so, employers have focused on educating their employees regarding harassment laws. This is a good thing and nothing in this article is intended to suggest otherwise. However, this article suggests that, in their desire to squelch the potential of harassment, employers may suffer from unintended consequences. As a group, employers have focused on making sure that employees understand that harassment on the basis of sex, race, religion, national origin and other protected categories is unacceptable in the workplace. To that end, many employers have implemented “zero tolerance” policies and have trained their employees to believe that any sexual comment is “sexual harassment.”

There are several problems with this approach. First, many employees now believe that relatively minor indiscretions constitute illegal harassment. This results in more lawsuits that are based upon inappropriate, but not illegal, conduct.

Under federal law and the law of most states, the definition of harassment is conduct, based upon a protected category, “that is sufficiently severe or pervasive to alter a term, condition, or privilege of employment.” Courts have been interpreting that language for more than 20 years, and it actually takes some fairly egregious behavior to meet that definition.

For example, in one case that made it to the 6th Circuit Court of Appeals, the plaintiffs alleged that, over a three-year period, a (female) supervisor caressed and stroked the hair of another female employee, rubbed her genitals in front of the plaintiffs, used vulgar language at a staff meeting. The court found that –over that period of time – this was not sufficiently severe or pervasive to constitute “sexual harassment” under the law.

In a case that made it to the 4th Circuit Court of Appeals, the plaintiff alleged that – over a seven-month period – she saw at least 15 faxes, emails and cartoons that were sexually explicit, some of which were posted by the time clock. The court found that “a few observations of lewd magazines and inappropriate jokes or drawings over a seven month period” is not sufficiently severe or pervasive to constitute illegal harassment.

Of course, we cannot determine what a particular judge might do with a particular set of facts, but the point is that it is more difficult to establish a claim of illegal harassment than most people think.

The second problem is that many jurors now believe that relatively minor indiscretions constitute illegal harassment. This results in more verdicts against employers when employees have engaged in inappropriate, but not illegal, conduct. In talking with jurors after a trial, as well as viewing jurors in mock trial situations, we have learned that juries are much more likely to make a determination based upon their own experiences than they are to make a determination based upon the judge’s definition of the law. For that reason, juries often use a definition of “sexual harassment” that they have learned at work, rather than the legal definition. Because employers often use an incorrect definition of “harassment,” juries often hold employers to a tougher standard than that created by the law.

Employers wanting to discourage inappropriate behavior should focus policies and training on “inappropriate” behavior rather than “harassing” behavior. Here are a few practical suggestions.

1. Educate employees on the meaning of “harassment.” This means talking to employees, not only about what unlawful harassment is, but also what it is not.
2. List examples of inappropriate behavior, rather than examples of “harassment.” For example, a policy might state, “The following are examples of behavior that is prohibited by our policy, regardless of whether the behavior constitutes illegal harassment.
3. Do not include the phrase “zero tolerance” in your anti-harassment policies. To most people, “zero tolerance” means that you will fire someone for violating the policy. In some instances, conduct that violates the policy may not necessarily warrant termination. Employees and juries both have trouble understanding this, and “zero tolerance” language lends itself to the argument that the employer did not follow its own policy.
4. Educate employees regarding their own obligations. Explain that individuals have an obligation not to harass, and they also have an obligation to avoid harassment, where possible.
5. Clarify that the employer will take appropriate steps upon receiving a complaint. Many policies state that the employer will investigate or will interview all witnesses. This means an employer could be accused of violating their own policy if they don’t conduct an investigation even if their judgement indicates one is not merited.
6. Clarify that confidentiality will be preserved to the extent possible. Confidentiality is not always possible when an employer must conduct an investigation. Employers should not make promises they cannot keep.
7. Review your videos. If you use videos for training purposes, review them to be sure they contain accurate statements of law.
8. Avoid using handouts in training unless they have been carefully reviewed by counsel.
9. Avoid answering specific questions in a training setting. Oftentimes, it is not possible to provide an answer to a hypothetical in the abstract. Employees may not provide you with all the facts.

Jeannie DeVeney is a partner Spencer Fane Britt & Browne LLP labor and employment group. Her practice focuses on the defense of employers in employee-initiated lawsuits, including harassment and discrimination claims, as well as claims involving the FMLA, the FLSA, and breach of contract. Jeannie also works with employers to help prevent litigation. She provides counseling regarding day-to-day relationship, including harassment training, supervisor training, and FMLA training. She also sits on the National Retail Federation Law Employment Committee.

WHAT'S *YOUR* RETAIL IQ?

1. How did sales for Running Footwear in the sports retailer channel for fiscal September change compared to the year-ago period?

- a. Up high-single-digits
- b. Down mid-single-digits
- c. Flat
- d. Up mid-teens

2. Women's Running Footwear sales grew at a faster rate than men's at the sports retailer channel for September.

- a. True
- b. False

3. Who had the top selling Fashion Running shoe in the sports retailer channel for September?

- a. New Balance
- b. Brooks
- c. Asics
- d. Nike

4. Which Running Footwear subcategory saw the strongest dollar sales growth for the period at the sports retailer channel?

- a. Cushioning
- b. Motion Control
- c. Stability
- d. Fashion Running

5. Who had the top selling men's Trail Running shoe in the sports retailer channel for September?

- a. New Balance
- b. Nike
- c. The North Face
- d. Salomon

6. Who had the strongest market share growth in Motion Control Running Footwear in the sports retailer channel for September?

- a. Asics
- b. Brooks
- c. Saucony
- d. Nike



7. For the sports retailer channel for September, how did the Running Apparel category perform?

- a. Increased high-single-digits
- b. Increased low-single-digits
- c. Flat
- d. Decreased mid-single-digits

8. Which company saw the largest increase in market share in Running Apparel for September in the sport retailer channel?

- a. Under Armour
- b. Nike
- c. New Balance
- d. Brooks

9. Who had the top selling women's Running Apparel product in the sports retailer channel for September?

- a. Adidas
- b. Under Armour
- c. Nike
- d. New Balance

10. Running Apparel average selling prices increased for the period in the sports retailer channel.

- a. True
- b. False

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