

BRAND PROFILE: UNDER ARMOUR

Making athletes better

Based in Baltimore, Maryland, Under Armour was established in 1996 by former University of Maryland football player Kevin Plank, who is now chief executive and chairman of the board. The firm's initial aspiration was to come up with a t-shirt that would provide compression and that would wick away moisture. Another requirement of the t-shirt was that it would help regulate body temperature and enhance performance. From that first t-shirt, launched almost a decade ago, the company has developed an extensive range of microfibre gear. It now sells sports apparel across a number of disciplines including basketball, ice hockey and golf. The company introduced a line of baseball and softball cleats in the fourth quarter of 2006 and entered non-cleated footwear in May 2008 with the launch of performance training footwear.

According to the firm, the technology behind its product assortment for men, women and youth is complex, but the programme for "reaping the benefits" is simple: HeatGear should be worn when temperatures rise, ColdGear is designed for cooler climates and AllSeasonGear is ideal for in-between conditions. Meanwhile, its Lockertag technology has made irritating garment labels in its shirts a thing of the past. Instead, Lockertag heat seals are used to display the athlete's jersey number and the size on the outside of the garment so that the shirts are easily distinguishable and comfortable to wear. By constantly focusing on fresh innovation and technologies, Under Armour's main concern is "making athletes better".

Recent developments

Under Armour's products are available at 15,000 locations globally; however, the firm opened its first branded retail outlet at the Westfield Annapolis shopping centre in Annapolis, Maryland, in November 2007. In 2008, it opened further stores including a 560m² outlet at Westfield Fox Valley in Aurora, Illinois, one in the Natick Collection mall in Natick, Massachusetts, and one in Westfield Montgomery in Bethesda, Maryland. Each of its stores is designed to look like the underbelly of a sports stadium, with a tunnel-style entrance and a ramp leading up into the store.



Under Armour's performance apparel is designed to "make athletes better".

 Under Armour

The company also signed a number of sponsorship deals in the last year. It became the official kit sponsor for a professional football team for the first time when it signed a deal with German Bundesliga team Hannover 96 from the 2008-09 season through to the 2010/11 season. It also signed an agreement with the Welsh rugby team and will supply team kits that started with the 2008 end-of-year Tests. According to Mr Plank, the company has signed these deals "to help authenticate the brand on-field" in Europe. He adds that, this year, the firm will use these deals to "help the brand take root and build our presence".

The brand also has official outfitter relationships with college football programmes in The Atlantic Coast Conference (ACC), The Big 12, The Western Athletic Conference, and The Southeastern Conference (SEC), including agreements with the University of Maryland, Texas Tech University, Auburn University, University of South Carolina, University of Hawaii, University of South Florida, and the University of Utah. Under Armour is the official apparel supplier to the ACC and SEC. In August 2006, it became an official supplier of footwear to the National Football League.

Winning awards and hearts

The Baltimore-based company has won a series of awards over the years. These include a 2008 Billie Award in the Breakthrough and Innovation category for its BoomBoom-TAP football cleats. In 2004, the Sporting Goods Manufacturers Association named Under Armour as one of the '25 Leaders to Watch in the Sports Industry'. Furthermore, back in 2002, the company was named 'Supplier of the Year' by The Sports Authority, in the same year Mr Plank was given the 'CEO of the Year' accolade by Baltimore Smart CEO Magazine.

However, the company has remained humble and has used its success to help others. It has committed itself to supporting a number of charities including: Ronald McDonald House, which supports families with children in hospital; The V Foundation, a charity involved in cancer research; the Conservation Fund, which works to preserve the US outdoor heritage; The Rock Foundation, an organisation that offers children health education and help with physical fitness; the Boomer Esiason Foundation, a group looking to eliminate cystic fibrosis; the Living Classrooms Foundation, an organisation that provides education programmes aboard its three ships; and Power in Pink, which supports women fighting breast cancer.

Up and running

In terms of new innovation, Under Armour recently entered the running footwear arena for



the first time. It launched a new advertising campaign for running and showcased its first ever running shoe range at an invitation-only launch event in New York. The new collection, which launched for retail on January 31, is based on the company's new proprietary technology, Cartilage, which is designed to serve as the "connective tissue" between a runner and their environment in order to enhance performance and to provide stable and smooth movement.

The UA Run footwear collection features four road shoes: the Apparition, Illusion, Revenant, and Spectre. It also includes two trail shoes—the Chimera and Mirage. All the shoes in the new range are engineered to maximise the performance of each runner, whether they are professional, collegiate, high school or amateur athletes.

Speaking at the launch, Under Armour's director of footwear, Chris Brewer, said: "Firstly, it gives us a way to bring HeatGear closer to the foot to manage moisture, manage the climate inside the shoe and, frankly, give it much better fit." He explained how its technology works in a similar way to human cartilage. "You put Cartilage in between parts of the midsole in a running shoe and you have something that completes the story of independent suspension," he says. Mr Brewer explained that in the Revenant shoe, the technology works "in between the layers of foam and the armour guard piece to create an independent suspension", adding that: "It goes all the way around the shoe and underneath so it's 360 degrees of technology."

The company launched running footwear for the first time at the end of January, including four road shoes and two trail shoes.

 Under Armour

Consulting the athletes

The Apparition shoe falls into the collection's Neutral category. "Instead of a stability armour guard cradle, you're actually going to have a neutrally oriented armour guard cradle which is more symmetrical from the medial side to the lateral side for that person that doesn't need a lot of stability," says Mr Brewer. By contrast, the Chimera is designed to offer better contact with the terrain. "It's the first trail shoe we've done that overlaps the forefoot, so what it allows us to do is we have less midsole inside the shoe and the upper is tucked in between the midsole and the outsole," he says. "It allows us to get lower to the ground, closer to the ground, which in trail running is a very, very good thing."

The Athletes Run advertising campaign that accompanies the running collection features a number of top athletes including New York Giants running back Brandon Jacobs, defender for the US women's soccer team Heather Mitts, Olympic Volleyball player Nicole Branagh and Australian triathlete Chris "Macca" McCormack. Several of these athletes attended, and spoke at, the launch.

Mr McCormack said at the event: "I'm a super competitive person, I need to win, I have to win and to know that the company standing behind me has the same drive and passion means the world to me." He added: "I'm wearing the Spectra, it's their neutral, lightweight running shoe. I'm a pretty even-gaited runner so it's a shoe that I had a lot to do with the design of, so it was very, very nice for me." Nicole Branagh said: "The apparel and footwear that they offer really helps me to perform my best and I want to be the best player in the world and I think this company, does, too, so it makes for a good team."

More to come

If this is true, it appears Under Armour is already achieving its aim of making athletes better. Furthermore, while the global economic downturn is affecting many US retailers, Mr Plank believes the company can remain profitable in 2009. He reports that revenues grew 20% in 2008 and claims that: "In the context of a very difficult retail environment, what happened at retail for Under Armour during the back half of 2008 was very positive from a brand perspective."

He believes the way to generate excitement among its core consumer—who he makes clear is "the athlete"—the company must continue to provide "innovative new products, new categories, marketing that breaks through the clutter and a continued focus on connecting with our consumers."

He is aware that 2009 will be tough in terms of the economic downturn, and admits that



"even the strongest brands face significant obstacles in 2009". However, he believes: "There will always be an appetite for the companies that deliver on their promise, particularly those that build on a foundation of performance." He says that the company's careful planning in recent years will stand it in good stead for the coming years.

"On the product front, we have been building infrastructure for growth over the past few years, where revenue growth has been explosive," he says. "Because we invested and built the teams during those years of high growth, we are now in a position to pull the levers such as running footwear." He adds that: "It is exciting to think about the running room we have just in our domestic apparel contribution, especially in the categories of women and youth, where we haven't really scratched the surface yet." Mr Plank believes there will be long-term opportunities in soccer boots and, once the product is ready, basketball.

Finally, he believes the brand's ability to adapt and learn is key to its future success. "We are becoming better operators, better footwear developers and apparel designers, better at managing our inventory and our sports marketing relationships, better at managing our supply chain and better at understanding our consumer," he concludes. 🌐

Under Armour goods can be bought at 15,000 locations across the globe as well as at the firm's branded retail outlets.

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