



IEG SPONSORSHIP REPORT

IEG, LLC

640 North LaSalle, Suite 450
Chicago, Illinois 60610-3777 U.S.A.
Tel: 312/944-1727
Fax: 312/944-1897
ieg@sponsorship.com
www.sponsorship.com

April 13, 2009

Volume 28: Number 7

Published biweekly by IEG, LLC
www.ieg.com

EMERGING CATEGORY

Sponsorships Shoulder Marketing Load For Backpack Makers

WHO

Backpack manufacturers

TAKEAWAY

Rival brands may look for sponsorship opportunities to compete with growing portfolios of those already active in the medium.

With their products having evolved from humble origins as book bags and hiking gear to nearly ubiquitous fashion accessories and briefcase replacements, some backpack manufacturers are using sponsorship to gain a point of differentiation.

According to the Sporting Goods Manufacturers Assn., wholesale backpack sales rose 8 percent from '06 to '08, to \$390 million (see chart).

Aimed squarely at the young-adult sweet spot of backpack purchasers, recent sponsorship activity is coming from both new and established players in the competitive category.

For example, three-year-old Retaks, LLC last month announced a new tie to the ASA Action Sports World Tour and the ASA High School Tour, while industry veteran JanSport, Inc. is supporting up-and-coming indie pop band The Dashing Suns.

Below, how those backpack manufacturers, along with rival Ogio Int'l Inc., are using sponsorship to achieve their marketing goals.

Retaks: Brand-building, On-site Sales

The privately held company is using sponsorship and endorsement deals with action sports athletes to gain visibility and awareness prior to seeking retail partners.

"Instead of focusing our energy on getting product into stores, we've been spending time and money building our brand;

street credibility goes a long way," said owner David Meikle, who started the company with his sons after sketching the design of a pack that could hold a skateboard on a motion sickness bag while flying home from a skateboard competition.

Retaks—which is "skater" spelled backwards—sponsors several action sports properties. In addition to its new ASA ties, the company sponsors the Honda U.S. Open of Surfing presented by O'Neill in Huntington Beach, Calif. and the California Amateur Skateboard League.

The company leverages each event through on-site sales rights and by distributing product to athletes and VIPs.

In addition to sponsoring independent properties, Retaks sponsors its own skateboard, BMX, freestyle motorcycle and Formula Drift Championship Series teams.

The Retaks Drift team is sponsored by JVC U.S.A.'s JVC Mobile Entertainment unit and its Arsenal brand of high-end car audio products.

"Our teams and the sports we compete in are the most important part of the Retaks family," Meikle said. "They decide what products we are going to put out."

While several pro riders compete on the Retaks teams, the company focuses on amateur athletes. "We want to foster teams up from scratch," Meikle said.

The company also has created the Retaks Expressions Tour, a skateboard and BMX mini-ramp series it takes to Formula Drift events and music events on the West Coast. Those include August '08's Audio Overload in Anaheim, Calif. and last month's Extreme Thing Sports & Music

Festival presented by Findlay Chevrolet in Las Vegas.

Retaks plans to add a snowboard team and grow its involvement in the music space, Meikle said. The company also plans to secure additional sponsors for the Expressions Tour, Drift team and other teams, he added.

"Music provides a way to make an emotional connection with consumers."

— Courtney Blacker, JanSport

JanSport: Music Supports Lifestyle Positioning

The VF Outdoor, Inc. subsidiary focuses on music properties to establish an emotional connection with young adults.

"The JanSport brand is all about self-expression and independent spirit, and music provides a way to make an emotional connection with consumers," said Courtney Blacker, director of brand marketing.

JanSport launched its music marketing foray last year with ties to Manchester, Tenn.'s Bonnaroo Music & Arts Festival and Louisville's Forecastle Festival, both of which it has renewed for '09.

JanSport leverages Bonnaroo to promote its commitment to the environment by supporting Planet Roo, an area within the festival that features nonprofit environmental organizations, yoga classes, documentaries and a music stage

powered by solar energy.

The company leverages Forecastle with an online JanSport Battle of the Bands competition that dangles a chance to play at the festival.

Bands enter the contest at JanSportBattleOfTheBands.com. The site also has a photo gallery from last July's festival.

JanSport announced the winners of the competition at the Halfway to Forecastle show Jan. 17 in Louisville.

The brand has established an ongoing relationship with The Dashing Suns, including presenting the band's six-date tour as it traveled in JanSport's '67 VW Bus from Oakland, Calif. to the South by Southwest Music & Arts Conference in Austin, Texas.

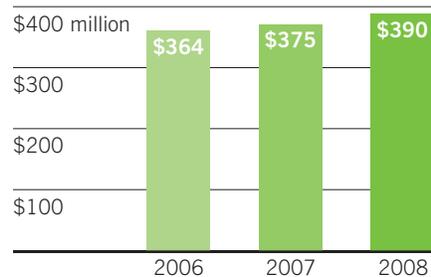
JanSport, which uses one of the band's songs in a new brand video, touted the road trip/concert tour on JanSport.com/TheDashingSuns, which featured photos, posts by band members and other content.

At SXSW, the band performed at JanSport's musical showcase at *ReadyMade* magazine's ReadyMade Rocks! event. The company also presented the Under the Radar party during the music confab.

JanSport leveraged its presence by offering any SXSW attendee the opportu-

nity to trade a used JanSport pack for a new Heritage Series Ski & Hike pack on the day of the showcase. The company will recycle the old packs for use in new ones.

Wholesale Backpack Sales



Source: Sporting Goods Manufacturers Assn.

Ogio: Sports Ties Raise Interest In Brand

The designer and manufacturer of gear bags has partnerships with the Dew Tour and Monster Energy AMA Supercross series—as well as endorsement deals with motocross superstar Travis Pastrana, PGA Tour players Fred Couples and Frank Lickliter II, and top-tier athletes in six action sports.

Ogio kicked off those relationships following the '02 hiring of former freestyle

motocross rider Andy Bell as vice president of promotions and events.

“Ogio always had cool product, but no branding. Our partnerships with action sports events and athletes helps get our name out there and build our credibility,” said Bell.

The company has deals with athletes in BMX, motocross, skateboarding, snowboarding, snowmobiling, and surfing.

The company activates with on-site product displays and hospitality for retail accounts and product reps in its bus.

“They might get to hang out with (skateboarder) Ryan Sheckler and the other guys on the bus, which is something they could never do on their own,” Bell said. “It gets them stoked on the Ogio brand.”

Retailers also use event tickets for in-store sweepstakes, he added.

Ogio also support tours and events produced by retail accounts.

For example, the company has sponsored the Journeys Backyard BBQ Tour that features live music and action sports demonstrations and is titled by Genesco's Inc.'s teen retail chain.

SOURCES

JanSport, Inc., Tel: 510/614-4000
 Ogio Int'l, Inc., Tel: 801/619-4100
 Retaks, LLC, Tel: 702/340-7086