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The Athlete's Foot's Next Step

Supported by new owner NexCen, the athletic chain has new name, fresh outlook

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LAS VEGAS -Just call it TAF.

Formerly The Athlete's Foot, the name change is part of the athletic footwear and apparel specialty chain's new image that it unveiled here earlier this month at the SGMA Spring Market.

TAF, which was acquired by NexCen Brands Inc. in November 2006 for \$515 million, is going through a major makeover that includes a new logo, a customizable merchandising system, improved operating support for its franchise owners and the launch of two apparel private brands for men. TAF will add women's apparel later.

The new brands are Track & Field, which Bob D'Loren, president and CEO of NexCen, calls an "Abercrombie meets Russell [Athletic] brand," combining classic athletic with lifestyle looks, and taftec, a performance line that uses highly technical fabrics. D'Loren said taftec will signify different categories through color coding: green for sustainable products, such as bamboo and cocona, and other colors for mid and outer layers. "It will be very easy to understand what the products do," he said.

The apparel is TAF's first true commitment to private label, D'Loren said. "We see it as a way to build the brand and empower our franchisees to generate more margin." Track & Field and taftec launch in TAF stores in January 2008. D'Loren said price points are competitive with similar product in the market. "We don't intend to overprice," he said. "We're overdeveloping product. We think it will be superior [to similar products]."

TAF, which is totally franchised, posted global sales of \$350



million in 2006. The 35-year-old retailer has 225 stores in the U.S. and 389 units in 45 other countries, including Australia, Argentina and Poland.

With so many stores in so many varying markets, the challenge has been how to give a clear message to the consumer, D'Loren said. Plus, there are different influences in the athletic market.

"We took a modular approach [in merchandising], D'Loren said. The franchise owners have four modules from which to choose – taftec, for performance apparel; Classic Athletic; Street Sports, for urban looks; and Fusion, for extreme and boardsports – all based on the important trends in the franchisee's market. Each store will also have its own sound. The stores will be given CDs with market-appropriate music, as well as DVDs that can be played on flat-screen TVs. TAF is developing one scent for the stores.

D'Loren said TAF expects to have the first store up and running with these interchangeable modules in November. All new stores after November will have the new format. Existing stores can retrofit, if they want, when the franchise owner's four year agreement with TAF expires. If they remodel, however, D'Loren said, they must use the new format.

The new and updated logo uses the initials TAF, which D'Loren

said is easier for global usage than The Athlete's Foot. "We were looking for a new way to express the brand," he said. "Everything we did is about making the brand more modern."

The logo incorporates the company's classic and well-known image of a winged foot with the initials TAF. It will be implemented this year on TAF's corporate communication, Website, storefront signage, point of purchase and other materials.

NexCen also has increased technical support for its franchise owners. It will launch a company-wide intranet to increase the efficiency and effectiveness of corporate communications, allowing the franchise owners to share information. NexCen will also implement in-store video technology in many of its domestic locations over the next year as flatscreen video monitors. The network can also be utilized for regular training of franchise owners and store managers through Webinars.

And NexCen has hired a research organization that specializes in trendspotting to provide monthly trend reports. Street-level scouts will be in 10 major markets across the U.S. D'Loren said NexCen will compare the owner's micro-trends with TAF's macro-trends, and provide the information in monthly reports to the franchise owners.

"That will help them plan inventory, turn inventory more quickly, cut back on [markdowns] and improve margins," he said. Naming Abercrombie & Fitch as a great retail model for TAF's own reinvention, D'Lorensaid, "We're helping [our franchise owners] build brand, and sales and profits will follow."