



STAY AND PLAY

Nike's SoHo flagship leads a transformational charge into the future of sports retail

by SUSAN REDA, EDITOR

New store openings in New York City's well-heeled SoHo district have become commonplace of late. The formula goes something like this: Luxury brand X puts down roots in 2,000 square feet or less, hoping to lift its brand aura and attract the city's fashionistas.

But there is nothing stereotypical about the new Nike SoHo flagship, which debuted late last year.

The 55,000-square-foot space located at 529 Broadway raises the bar on multiple fronts — from personalized services to exclusive trial spaces and product customization. It creates a seamless link between Nike's digital and physical platforms, producing a uniquely personal sports experience for every customer.

Heidi O'Neill, Nike's president of global direct-to-consumer, considers the immersive experience of the new flagship a paragon of the future of sports retail.

"We've always been innovators: We innovate footwear, we innovate products and we innovate retail. The SoHo store reflects one of our steps toward leading the transformation of

retail, and it really is just a start," O'Neill says.

"It's more than a store, it's a sports experience — consumers expect that of Nike. We've always been side by side with our consumers in terms of supporting them and their fitness goals and moving them forward.

"Now, being able to take it to a new level of retail is something that consumers absolutely expect from us," she says. "It's a place where they experience a new dynamic — personal shopping meets personal training meets personal styling."

PERSONALIZED PROGRAMMING

That new dynamic is made evident throughout the five-story space. The store's Nike+ Running Trial Zone, located on the first floor for women and on the third floor for men, allows

everyone from marathon runners to wannabes to test out shoes on a treadmill — opting for a virtual run in Central Park or along the West Side Highway.

The second floor features the largest dual-gender footwear wall in any Nike store worldwide, spanning 54 feet and including more than 200 styles. The Nike+ Soccer Trial Zone, located on the third floor, is a 400-square-foot trial area with a synthetic turf field floor. Kids and adults can test out Nike soccer cleats and receive one-on-one guidance from in-store certified trial athletes on product features and benefits.

The piece de resistance is the Nike+ Basketball Trial Zone, situated on the fifth floor and covering nearly an entire half court, with an adjustable hoop and 23-foot ceilings. Here Jordan imitators and aspiring up-and-comers can shoot hoops, test basketball shoes and do custom drills.

“One of the things I love about this store is that there are things you see immediately that are amazing, and then there are other pieces of it that, if a shopper takes the time to experience, are equally impressive,” O’Neill says.

A dedicated area just off the entry dubbed Nike+ Service Station lets customers work with team members to look up recent purchases, check to see exactly which running shoe a shopper may have fallen in love with during the last visit and help set up Nike apps. For someone new to the store or just beginning a sports journey, one-on-one appointments are available.

“If you’re a Nike+ member the trial run experience will be personalized with your name and

Tourists who visit the flagship can take something home that is uniquely their own and distinctive to the city.

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— Heidi O’Neill, Nike

you can record the information about your trial and add it to your account,” O’Neill says. “We have special programming for Nike+ members here, including designer-in-residence experiences, run clubs and VIP shopping experiences.”

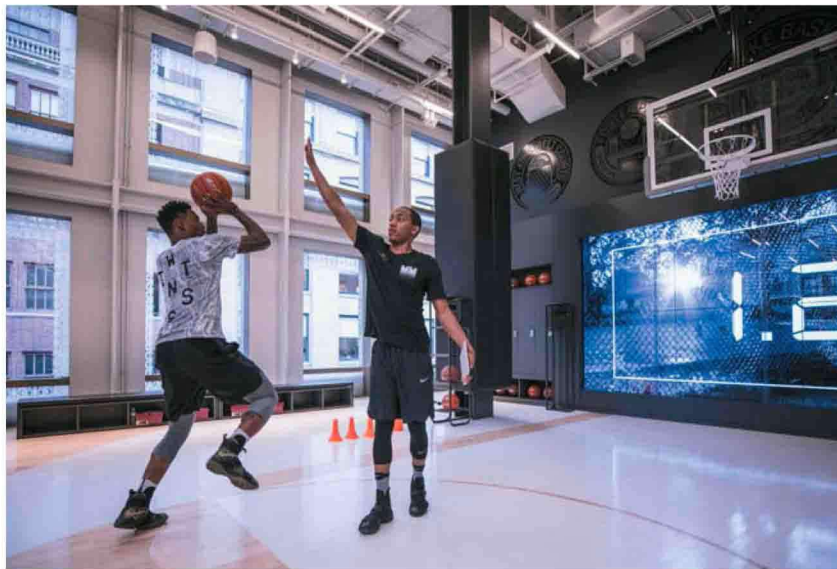
Meanwhile a newcomer would have an entirely different personal shopping meets personal training experience, consisting in part of individual recommendations for things like products, gear, workouts or run plans.

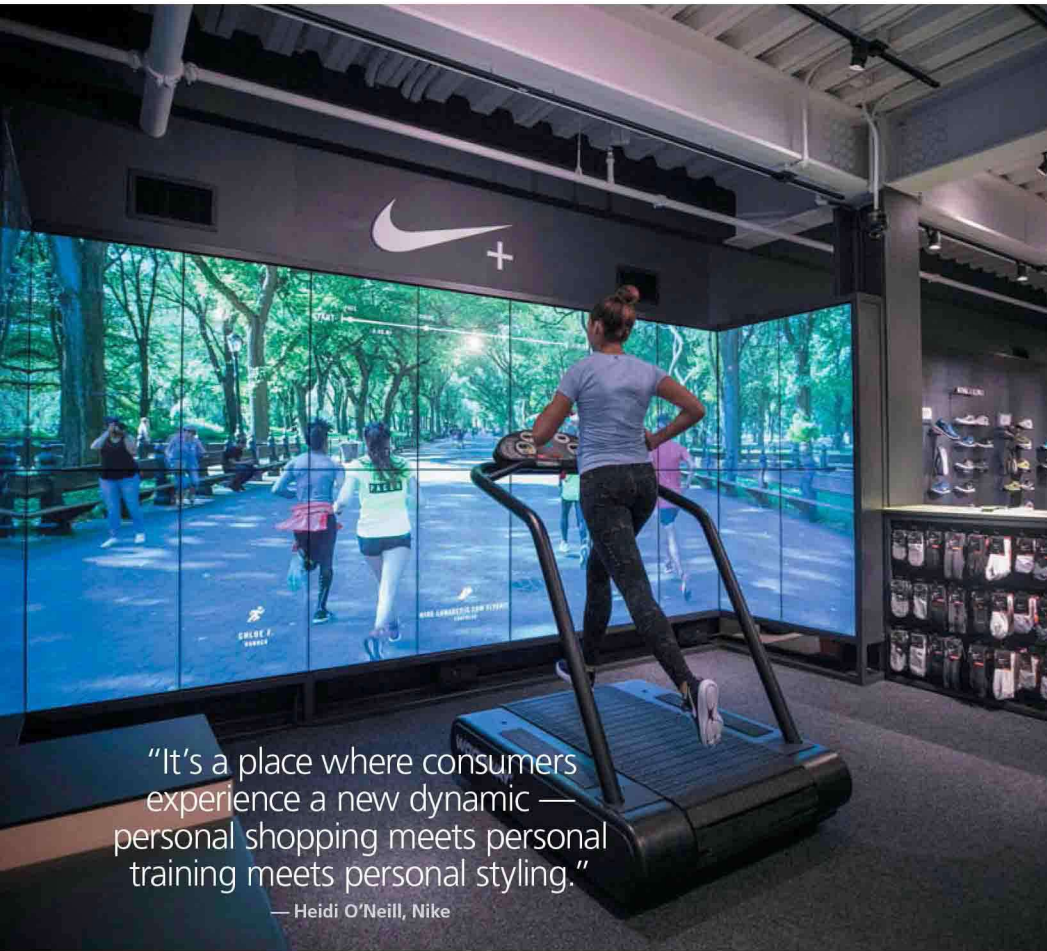
INCLUSIVE INNOVATION

While there is no question that this newest Nike store caters to athletes, it does not exclude weekend warriors or those dabbling in a new activity.

“Whether you’re planning to run your first mile — or your fastest ever — this store is right for all. We want to welcome and be the sports brand for every athlete,” O’Neill says. “We have an asterisk on athlete. If you have a body, you’re an athlete.”

The level of personalization available to shoppers at the SoHo flagship reflects an important part of Nike’s direct-to-consumer





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future. The market drives a sizable portion of Nike business and its pro strategy, contributing nearly \$7.9 billion in the most recent fiscal year, a lift of 26 percent year over year.

In Nike’s December earnings report, direct-to-consumer business was up 25 percent in revenue, with Nike.com up 49 percent at a constant currency rate. O’Neill considers it an ideal time to build on the growth trajectory of direct-to-consumer while bringing innovation to the market.

“Nike always leads from the front,” she says. “This store and others soon to open are great examples of that.”

Among the most unique areas inside the Nike flagship is a personalization zone dubbed Nike by New York. Customers are welcomed into the area as they step off the escalator on the second floor, where rows of pristine low-top versions of the Air Force 1 iconic sneakers beckon to be customized. Shoppers can add features such as a graphic, a splash of color or their initials.

Nike is also working with a rotating group of local designers to provide exclusive T-shirt designs that are

uniquely New York in tone. The opportunity exists to customize these shirts as well, choosing a graphic that resonates and picking from a selection of colors.

This is the one area of the store that grounds it to New York City and provides tourists who visit the flagship with the chance to take something home that is uniquely their own and distinctive to the city.

O’Neill calls out the attraction of the studio for two reasons: the desire to create something inimitable and immediate gratification.

“From the first day we opened, Nike by New York was incredibly well-received. We all like to bring our inspiration and our voice to our own product, and the beauty of this area is that it enables shoppers to have that experience — along with immediate gratification,” she says.

“The technology built into this store allows shoppers to put in their personalization request and then go off and explore the rest of the store for a short time. The custom team goes to work on it right there in the store, and sends the shopper a text message when it’s ready to be picked up.”

The graphics available in the studio and the collaborations Nike has committed to with local designers drive home the company’s passion for the city.

“The T-shirt illustrations in the Nike by New York personalization studio are exclusive to New York and,



honestly, they're nowhere else," O'Neill says. "I think it shows our commitment to the city as well as to personal and local experiences."

Other early customer favorites to emerge include The Lounge, a women's boutique within the store. The Lounge's fitting rooms are double the size of a standard Nike fitting room and offer an array of services from Nike+ including one-to-one personal appointments such as bra fitting and pants hemming, a water bottle filling station and digital checkout.

While in the fitting rooms, shoppers can adjust the lighting to replicate a yoga studio or a night run — "adaptive sport mood lighting," O'Neill calls it.

Far and away the most popular component of Nike SoHo is the Nike+ Basketball Trial Zone, which O'Neill reports is booked every hour.

"People love it," she says. "They love it for the experience, for sure, but they're also drawn to the opportunity to not just try on products but to try them out. Seeing the consumers' response to that has been incredible."

SHOPPER ENGAGEMENT

Overall, O'Neill has been impressed by the amount of shopper engagement; she says she's excited to see people taking the time to make appointments and seek out moments of Nike inspiration.

"Our vision was always predicated on serving Nike members and enthusiasts in a more personal way," she says. "The fact that people are spending a lot of time with us there — in a city where people are extraordinarily busy — says a lot about the power of the Nike brand."

Where is Nike headed next on its path to transforming sport retail? The first new Nike store of 2017 opened in Miami on January 19; the brand also officially opened a new basketball store in Beijing on January 21. Although O'Neill won't disclose where they're planning to open future stores, she notes that a lot of the technology and experiences that debuted in the SoHo store will be replicated in other cities.

"It's really not about the walls or the fixtures — it's about the people inside the store, their amazing training and the inspiration they have to serve shoppers using the tools, the trials and

services at their fingertips," she says, stressing the power of the human element blended with technology.

"The Nike SoHo store is staffed with category experts. These experts received intensive training and they're extremely knowledgeable about what shoppers care about. Regardless of whether a shopper is passionate about sneakers or running or basketball or fitness, there's an expert on hand to share their expertise.

"The Nike SoHo store is a stand out, but it's the people in the store that really make the difference." **STORES**