

UA Holds No. 2 Apparel Spot with Room to Grow, Shoe Biz Lags

Companies: ADDYY, BRK.A, COLM, GPS, HBI, HKG:0551, LB, LULU, NKE, SKX, TPE:9904, TYO:7936, TYO:8022, UA, VFC

January 21, 2015

Research Question:

Will Under Armour continue to gain share in the United States and become a global brand?

Summary of Findings

- [Under Armour Inc.](#) (UA) will continue to gain market share in 2015 and beyond, thanks to its product selection and quality, rising popularity among women, room for growth in footwear, and relatively untapped potential in international markets.
- Sources said Under Armour has taken the No. 2 apparel position behind [Nike Inc.](#) (NKE) and in front of [Adidas AG](#) (ADDYY).
- A few sources in each silo said Under Armour's apparel quality is on par with or superior to Nike's.
- Under Armour's rising popularity among women was largely credited for its growth in sports apparel.
- Suppliers and industry specialists said Under Armour has plenty of opportunities to grow in international markets, particularly in Asia, where consumers are starting to embrace the brand.
- However, Under Armour must overcome the large chasm in footwear that it faces compared with Nike and Adidas.
- Blueshift Research conducted a poll of 209 physically active U.S. consumers and found that Nike and Under Armour were respondents' top sports apparel brands because of their quality and styling. In athletic footwear, Under Armour was consistently in the back of the pack and more likely to attract male shoe buyers.

Silo Summaries

1) Suppliers and Distributors

All nine sources expect Under Armour to continue its growth this year and said it is a top sports apparel brand. One source believes UA has the potential to knock Adidas out of its No. 2 spot behind Nike, and three sources said the company already has taken share from Adidas. One source believes UA makes better-quality apparel than Nike, and two noted its heightened popularity among women. Seven sources discussed UA's potential in international markets, particularly in Asia, including one source who stressed the significance of the brand's newly signed contract with tennis star Andy Murray.

2) High School and College Athletic Coaches

Five of seven sources said Under Armour is a top sports apparel brand; two of the five said UA is in the top three, while one said it is No. 2 behind Nike. Four sources said UA offers better-quality apparel than its competitors, including Nike. Six sources believe UA's growth will continue.

3) Personal Trainers

All six sources believe Under Armour is among the top sports apparel brands. Three expect UA to take share from Nike this year. However, UA lags behind its competitors, especially Nike, in athletic footwear.

4) Independent Sporting Goods Retailer Personnel

Most of these nine sources said Under Armour will continue to grow this year, thanks in part to its increased popularity among women and to its superior apparel quality. The brand is considered second to Nike but ahead of Adidas. UA is expected to continue to take share from both brands. UA lags behind in footwear sales, but one source said teens are buying the brand's shoes to go with their UA apparel.

5) Industry Specialists

All nine sources expect Under Armour's growth to be led by its women's line, its international expansion and its innovative, quality products. Although UA lags behind in the footwear market, it is in the process of taking the No. 2 sports apparel spot behind Nike in North America. While Adidas and Nike battle for position in Europe, UA has the potential to grow there as well as in Asia and Latin America.

	UA Share In 2015	UA Popularity Among Women	UA Footwear Popularity
Suppliers/Distributors	↑	↑	↓
High School/College Coaches	↑	↑	↓
Personal Trainers	↑	↑	↓
Independent Sporting Goods Retailers	↑	↑	↓
Industry Specialists	↑	↑	↓

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Background

Under Armour is moving up the ranks of consumer and Wall Street watch lists. Its third-quarter revenue increased by 30% to \$938 million, marking the fourth consecutive quarter of 30%-plus growth and the 18th straight of 20%-plus. In the third quarter of 2014, apparel sales drove overall growth by [increasing 26%](#) to \$705 million, while footwear was the highest growth segment, increasing 50% to \$122 million. International sales were up an amazing 94% for the quarter, and now amount to 10% of Under Armour's total sales. The company's \$3 billion in annual sales are dwarfed by Nike's \$27 billion, but it is racing to close the gap through marketing campaigns and endorsement deals, both of which are pushing its SG&A expenses near 40% of its total revenue for FY14.

Under Armour recently surpassed Adidas to become the second largest sportswear brand in the United States. One model showed that given its growth rate, Under Armour's North American sales will be [two-thirds the size](#) of Nike's North American business by 2020. CEO Kevin Plank recently reported international stores selling more footwear than anticipated. Very recent studies show an increasing amount of [mindshare](#) for the Under Armour brand among runners, and the running shoe industry continues to experience [exceptionally strong growth](#). Under Armour has been making a solid push into its women's athletic apparel. Meanwhile, its attempt to lure Kevin Durant into an endorsement deal prompted Nike to pay [\\$150 million more than it intended](#) in order to keep the basketball superstar.

Under Armour's third quarter saw a slight [deceleration in apparel sales growth](#) from a 35% pace in the previous period, which could signify that its peak growth days are ending. Expenses will rise as Under Armour builds out its global distribution system, allocating more capital to capacity increases, real estate and supply channels. Perhaps evidenced by its endeavor to open more warehouse stores, Under Armour [carries much more inventory](#) than its competitors, which could lead to pricing pressure. As Under Armour continues to go head-to-head with Nike, the [pricing of endorsement deals](#) could skyrocket, which would affect Under Armour's bottom line more significantly than Nike's, given the latter's immense size. Under Armour also may face difficulty in promoting its athletic shoes off the court. A general consensus shows most athletes believe that Under Armour is producing a high quality shoe, but as one [blogger](#) states, "Nobody rocks Under Armour as a fashion."

Current Research

Blueshift Research assessed whether Under Armour would continue to gain share this year and beyond. We employed our pattern mining approach to establish seven independent silos, comprising 40 primary sources (including two repeat sources), a SurveyMonkey poll of 209 physically active U.S. consumers, and 11 relevant secondary sources focused on Under Armour's branding of women's sports apparel, the company's fabric quality, and its potential in footwear and in international markets:

- 1) Suppliers and distributors (9)
- 2) High school and college athletic coaches (7)
- 3) Personal trainers (6)
- 4) Independent sporting goods retailer personnel (9)
- 5) Industry specialists (9)
- 6) SurveyMonkey poll (209 participants)
- 7) Secondary sources (11)

Next Steps

Blueshift Research will continue to monitor Under Armour's progress in both athletic apparel in shoes and its overall growth, particularly against Nike and in the United States. We also will follow trends in women's athletic apparel this year, while also monitoring Under Armour's progress with international growth.

Silos

1) Suppliers and Distributors

All nine sources expect Under Armour to continue its growth this year and said it is a top sports apparel brand. One source believes UA has the potential to knock Adidas out of its No. 2 spot behind Nike, and three sources said the company already has taken share from Adidas. One source believes UA makes better-quality apparel than Nike, and two noted its heightened popularity among women. Seven sources discussed UA's potential in international markets, particularly in Asia, including one source who stressed the significance of the brand's newly signed contract with [tennis star Andy Murray](#).

Key Silo Findings

Under Armour's Growth and Brand Position

- All 9 sources expect Under Armour to continue its growth and view it as a top brand.
- 1 believes UA has the potential to knock Adidas out of the No. 2 spot.
- 2 said UA's popularity among women is growing.

Under Armour vs. Its U.S. Competition

- Most sources said Nike is still the leader but ...
 - o 1 said UA makes better quality apparel than Nike.
 - o 3 believe UA already has taken market share from Adidas.
 - o 1 said UA will take some market share from Nike this year.
- 1 source had no comment

Under Armour Outside of North America

- 2 said Under Armour has a great chance of taking international share from Adidas.
- 7 noted Under Armour's growth potential internationally, particularly in China.
 - o 1 of these 7 discussed UA's new contract with Andy Murray.

1) Operations manager at an Under Armour distributor on the East Coast

Under Armour will continue to grow because the company always creates fresh athletic wear styles. UA makes better apparel, but Nike makes the superior performance shoe. Nike is feeling some threat by UA, but people still prefer the Nike brand, which also frequently introduces new designs. UA is becoming known in golfing, particularly in Singapore, Beijing and Turkey. Most suppliers are in Asia, and this source has not heard of any supply problems. He works more frequently with male athletes and could not comment on female athlete preferences.

Under Armour's Growth and Brand Position

- "Under Armour will keep growing in 2015 because they are doing the right thing. They are still creating new athletic wear and incorporating different styles in shoes and cleats, which is important to sports. People like fresh styles and better durability and performance. They like improvements."
- "Under Armour is definitely a top performer, the top of the line. But Nike is still stronger [in our sport]. Nike has the stronger performing shoe."
- "I haven't heard of any supply issues, but many suppliers are in Asia."
- "We focus on a men's game mostly, and I can't address how women view Under Armour. I'm not sure who Under Armour's core customers are."

Under Armour vs. Its U.S. Competition

- "Nike might be feeling some threat from Under Armour. They might be looking over their shoulders a bit, but they are not in a real panic level. Nike comes out with different styles of shoes as well. They are always redesigning their products, their shoes, and creating interest. It is hard to match this level of redesign. Most sports shoes have a two- to three-year lifespan, so the companies have to stay ahead of this."
- "Under Armour makes better apparel than Nike, but Nike makes better

Nike might be feeling some threat from Under Armour. They might be looking over their shoulders a bit, but they are not in a real panic level.

*Operations Manager
Under Armour Distributor, East Coast*

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running shoes and cleats.”

- “Nike is superior to Under Armour. People like the Nike swoosh more than they like the Under Armour [symbol].”

Under Armour Outside of North America

- “I have seen UA advertised a lot in golf. The golfers wear their shirts with the UA emblem, and it is visible on TV. This is spread internationally, particularly in Singapore, Beijing and Turkey. I would say that UA is growing internationally.”

2) Partner at a performance apparel wholesale distributor

UA will continue to grow domestically and abroad through increased marketing to women and endorsement deals with high-profile athletes and teams. UA eventually could overtake Adidas to occupy the No. 2 spot in athletic shoes, especially in Europe. It also may be able to “chip away” at Nike’s share of the athletic shoe market, but is not considered a serious threat. UA continues to introduce styles faster than Adidas while raising its profile in Europe through soccer and golf. UA’s sales last year grew faster for footwear than for apparel. Deals with U.S. Olympic teams for the 2016 and 2020 games will help UA raise its international visibility.

Under Armour’s Growth and Brand Position

- “Under Armour is probably the best in terms of athletic apparel. They’re definitely in the top 10 among overall athletic brands. Nike as a brand is still No. 1.”
- “They’ve got really great brand awareness for the quality of their products.”
- “Under Armour is doing a lot of marketing to promote their athletic shoe line. The top shoe brands are still Nike, Adidas and [Adidas’] [Reebok](#).”
- “Under Armour is still seen as a performance clothing company, but their footwear sales are growing at a faster rate than clothing. ... They just introduced several new styles of running shoes last fall. The [Apollo](#) is a big seller.”
- “Male athletes, men who work out for health and exercise—they are the main customer base for Under Armour.”
- “Under Armour is starting to sell more products for women. They’ve introduced some new shoe and clothing styles that are still built for performance but are what you’d call more fashion-oriented for women. Under Armour has an image they created with their own advertising of the hard man, the dedicated athlete who sweats. They’re doing a lot more marketing to target female athletes.”
- “I am not aware of any problems in the supply chain.”

Under Armour vs. Its U.S. Competition

- “Under Armour’s performance clothing is probably the best.”
- “Adidas and [Columbia \[Sportswear Co./COLM\]](#) have lost some steam to Under Armour in the last year.”
- “Nike and Under Armour are the big names in athletic apparel for women. Just like for men, the driving force behind women’s sales is marketing and endorsements.”
- “The big competition right now is about landing those endorsement deals with popular athletes and celebrities.”
- “[In footwear] I see Under Armour chasing after Nike at the expense of Adidas.”
- “Under Armour has the edge on performance clothing with people who are serious about their training. If Under Armour can get some endorsement deals in place for their shoes, they could chip away a bit at Nike’s athletic shoe market. That’s going to take awhile.”
- “Under Armour is very serious about growing their women’s lines and athletic shoes. I think they will continue growing [in 2015] in those areas and on the strength of their performance clothing.”

Under Armour Outside of North America

- “Under Armour is in a good position to gain market share over Adidas in Europe. Under Armour comes out with new styles faster than Adidas, so I think maybe they will get more attention.”
- “Soccer and golf are two sports where Under Armour is raising their profile internationally.”
- “Under Armour has [a deal](#) to outfit the U.S. gymnastics teams for the 2016 and 2020 Summer Games. That will give them a huge awareness on television.”
- “I still think male athletes will make up most of Under Armour’s customers, both in the United States and abroad.”

Under Armour has the edge on performance clothing with people who are serious about their training. If Under Armour can get some endorsement deals in place for their shoes, they could chip away a bit at Nike’s athletic shoe market. That’s going to take awhile.

Partner, Performance Apparel Wholesale Distributor

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- “Under Armour is competing mostly against Nike and Adidas in Europe.”

3) Account manager for an athletic and outdoor clothing distributor

Under Armour remains the top brand in performance athletic clothing. Its customers continue to skew toward men, but its increasing focus on women’s clothing is reflected in the new styles and colors, along with the December 2014 signing of supermodel [Gisele Bündchen](#) to appear in UA commercials. Bündchen is the wife of Patriots quarterback Tom Brady, who also has an endorsement deal with UA. Although Nike is the frontrunner for athletic shoes, UA offers price points that come in below Nike’s retail pricing, making it an attractive alternative. Adidas is struggling to keep pace with Nike and UA in the rollout of new products. UA also scored a coup in December when it took over Adidas’ contract with tennis star Andy Murray. Internationally, UA is focused on tennis, golf, soccer and baseball, which bodes well for sales in Asia. Meanwhile, UA has a popular outdoor clothing line for [hunters and hikers](#) that could take share from [L.L. Bean](#) and [REI](#).

Under Armour’s Growth and Brand Position

- “Their athletic shoes and boots sold better last year than ever before. I don’t expect they’ll overtake Nike, but they are definitely selling more shoes. I think UA is the top brand for performance clothing.”
- “We’re seeing more Under Armour orders for women’s apparel, but the men’s line is still the bulk of it.”
- “Under Armour still has a ways to go with their athletic shoes. Nike just dominates that market, followed by Adidas and Reebok.”
- “Under Armour outdoor gear is real popular with hikers and hunters. They could build on that and maybe take some market share away from REI and L.L. Bean, but their real focus is still on athletic clothes. I think the outdoor lines are something they could grow.”
- “Under Armour clothing isn’t cheap, but they have high-quality products. Their performance clothing is usually a little less than what you’d pay for Nike, but Nike owns the sports shoe market.”
- “We haven’t had any supply problems.”

Under Armour vs. Its U.S. Competition

- “Under Armour is the top seller in athletic clothing. If we’re talking about shoes, they are way down the list. That would be Nike, Adidas, Reebok and [New Balance](#), which has a lot of different brands.”
- “Under Armour’s growth is probably taking away from several different companies, not just one. Adidas has been struggling a little bit, so Under Armour has probably picked up some of their business.”
- “Female athletes tend to buy Nike. It’s a branding thing. Most of Under Armour’s advertising has been focused on men, but they’re bringing out more styles for women in a lot of colors. Under Armour has a deal with Patriots quarterback Tom Brady, and they did a very smart thing last year: They started running commercials with Brady’s wife Gisele Bündchen.”
- “Under Armour is selling more clothing for women. They’re introducing new designs and styles, so there is clearly a focus on growing that part of the business.”

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*Account Manager
Athletic & Outdoor Clothing Distributor*

Under Armour Outside of North America

- “Nike, Under Armour and Adidas are the big names in Europe.”
- “Under Armour looks to be growing internationally with a focus on tennis, which is huge in Europe and Asia, and golf and soccer.”
- “Andy Murray signed with Under Armour a couple of weeks ago. He had been with Adidas. They’ve also got some sponsorships in place with some of the UK soccer teams. This tells me Under Armour is serious about growing international sales and has the financial clout to take away major sports figures from a company as well known as Adidas.”
- “Under Armour is putting a lot of marketing into their [Highlight baseball cleats](#). That could be a big growth opportunity not just in the United States but in Asia as well.”

4) Customer service representative at a wholesale athletic apparel distributor

Under Armour is this distributor's top-selling brand of performance apparel, while Adidas is the top shoe brand. As Under Armour increases marketing efforts for its shoe line, it may be able to nick market share from Adidas and smaller brands, but not Nike for the foreseeable future. UA is gaining traction with female athletes with more advertising campaigns geared toward them, although men still represent the core customer base. In Europe, UA is viewed as a strong competitor for the apparel needs of soccer players and golfers, but [Asics Corp.](#) (TYO:7936) and Adidas are the top athletic shoe brands. The source occasionally has trouble getting UA apparel in larger sizes.

Under Armour's Growth and Brand Position

- "Under Armour is our top seller in performance apparel. We cater mainly to wrestling and volleyball players—jerseys, hoodies, undershirts, shorts and socks."
- "They have great brand recognition. Athletes like the fabric and the wicking technology that keeps you dry."
- "Adidas is our top-selling shoe."
- "Nike and Adidas sell more performance shoes than anyone. Under Armour might be able to take on Adidas, but Nike is a bit of a stretch. I don't see that happening any time soon."
- "Our Under Armour sales are fairly evenly divided between men and women, but we're a specialty distributor. We don't carry the full Under Armour line. Overall, most Under Armour customers are male."
- "It's sometimes harder to get the larger sizes, but we haven't had any major problems getting the products we need."

Under Armour vs. Its U.S. Competition

- "Under Armour makes the best performance clothing, also the most popular."
- "[UA keeps] coming out with fresh styles, and they back it up with a lot of really impressive advertising. I think they will continue growing in the next year."
- "In terms of performance clothing, there's Under Armour, Nike and Reebok and Adidas, [VF Corp.'s/VFC] [North Face](#), Asics and [Lost Arrow Corp.'s] [Patagonia](#). Those are the top brands. Under Armour costs less than Nike but is a little more than some of the others. I don't think Under Armour can raise their prices right now. They have to compete on superior quality."
- "Nike and Adidas are the top shoe companies. Under Armour has come cool designs, but they haven't really caught on yet as a performance shoe. I think a lot of it will depend on their advertising, getting endorsements. When you see a pro athlete playing your sport and using a product, that's powerful. That's probably the single best reason someone chooses one brand over another, besides price."
- "Under Armour is probably taking sales away from Adidas and some of the smaller brands too. They probably sell more clothing than Nike, but Nike has the shoe sales."
- "There's more advertising geared towards women than I've seen before."

Under Armour Outside of North America

- "Sales of Under Armour's athletic apparel will continue to grow in Europe. They're going after soccer players and golfers, who have the money to spend."
- "Nike is still the king of athletic shoes. Under Armour can beat Nike on price, but Under Armour doesn't have that reputation for high-performance athletic shoes like Nike."
- "Asics and Adidas are also popular shoe brands in Europe. I don't know that Under Armour can beat Adidas on athletic shoes in the European countries. Maybe in the United States."

Nike and Adidas sell more performance shoes than anyone. Under Armour might be able to take on Adidas, but Nike is a bit of a stretch. I don't see that happening any time soon.

*Customer Service Representative
Wholesale Athletic Apparel Distributor*

5) Account manager with a sports apparel distributor

Under Armour will continue its sales growth through the introduction of new products and an increasing focus on women. The company is the clear leader in sports performance apparel, but elevating brand awareness of its performance shoes will take time and a dedicated advertising effort. UA stands a better chance of taking share from Adidas, Reebok and others in the performance-shoe industry than affecting Nike to any significant degree. By introducing product lines with an emphasis on fashion as much as performance, UA may have an edge with female athletes. Adidas is viewed as more

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vulnerable than Nike in Europe, where UA is pushing for greater market penetration. Asia and Latin America are also prime growth areas.

Under Armour's Growth and Brand Position

- "Under Armour will keep growing this year. They always come out with new styles and designs, with new features or design improvements, so there's always a reason to buy. The greatest T-shirt ever made or the best pair of shoes will wear out eventually, so new products are a big part of repeat sales."
- "They lead the market in performance clothing; that's been their core strength from the beginning."
- "We haven't had any concerns about the supply chain. We can get the products we need."
- "We don't carry their shoe line. ... From what I know, their shoes are well built, but what's really attractive is they're more affordable compared to a lot of sports shoes like Nike and Reebok. I think with the right marketing they can grow their performance shoe business. It's not going to happen overnight, but they can build on the brand awareness they already have for their sports clothing."
- "Under Armour customers are mostly men. If you look at their marketing for the last several years, that's been their main focus. They're adding more product lines for women and ramping up their advertising for the lady athlete."
- "Nike, Adidas and Reebok are the big guns in athletic shoes. Under Armour stands a better chance of poaching customers from Adidas and Reebok than knocking a dent in Nike. I'm not saying it's impossible, but Nike has a 50-year history of being deeply entrenched in sports culture."

Under Armour vs. Its U.S. Competition

- "Under Armour dominates the performance clothing market."
- "They do a great job of putting out new products that look sharp and wear well. I don't see anyone beating them on the clothing side, not even Nike. The thing is, I think a lot of Nike's sports clothes and accessories are mostly a logical extension of their main product, which is athletic shoes. If they can slap a logo on a duffle bag or a baseball cap and it makes business sense, they will. But with Nike it's mostly about the shoes."
- "Under Armour is really focused on elevating their product lines for women. If you look at what's coming out, the products are color-coordinated across different lines, and there's an emphasis on style and fashion. They have a reputation for making great performance clothing, but I think it's fair to say that the lady athlete wants clothing that's not only high-performance, but looks good."
- "When price is a factor in the buying decision, I think Under Armour has the edge over Nike."
- "The market for athletic shoes is just huge, so there's opportunity there for Under Armour to gain some market share. I think it will come at the expense of Adidas, New Balance, maybe Reebok and Asics."
- "There's so many shoe styles and designs that it can be overwhelming, but the key factors that lead to a purchase are probably performance, quality, colors and style. When you're trying to appeal to women consumers, colors and style probably become as important as performance and quality. There's also a better opportunity to sell several pairs of shoes to a female customer. I think that's what Under Armour is trying to do."

Adidas is more vulnerable than Nike, both in the United States and worldwide. Adidas isn't going away, but they seem to be playing a catch-up game when it comes to launching new products.

*Account Manager
Sports Apparel Distributor*

Under Armour Outside of North America

- "Under Armour is growing in Europe. They are signing endorsement deals with soccer teams, and we're starting to see their logo more often at sporting events on TV."
- "Under Armour is up there in terms of brand awareness, but Nike and Adidas are still tops in Europe. I think Under Armour will hit the right mix of endorsements and advertising to boost their desirability. If they can convincingly demonstrate that their footwear is as good as their apparel, they ought to grow. That's going to take time and cost a lot of advertising dollars."
- "Under Armour will probably grow their line of men's apparel faster than women."
- "Of the leading shoe companies, I think Adidas is more vulnerable than Nike, both in the United States and worldwide. Adidas isn't going away, but they seem to be playing a catch-up game when it comes to launching new products. New and improved is the name of the game. Nike and Under Armour excel at that."
- "I wouldn't be surprised to see pretty strong growth for Under Armour in Asia and Latin America, where the demand for athletic clothing is really starting to increase. You've got baseball in Asia, and the World Cup last July sparked a huge spike in soccer fever that hasn't gone away."

6) Manager of a fabric company and Under Armour supplier in China

Performance quality is the key reason for Under Armour's growth. Unique style and acceptable prices also help its growth in China. Under Armour's core customers are "professional and quasi athletes." It gained the most among young people in 2014. Women like to choose UA for performance and unique styles. It has big potential in the United States in terms of professional performance and prices, and it will take the share from Nike in 2015. China will be a focus for growth.

Under Armour's Growth and Brand Position

- "Under Armour, the brand performance is very professional, which is the major reason for growth. Meanwhile, its brand style is different than other Chinese brands, which helps it gain Chinese customers who want unique styles. Also, its prices are acceptable."
- "Under Armour is ranked as a middle-to-top athletic brand in the market."
- "I don't know how to judge Under Armour supply chain efficiency. If it can grow well in 2014, that means its supply chain/distribution support its growth."
- "I don't know about Under Armour's athletic shoe performance because our company focuses on apparel."
- "Under Armour's core customers are professional athletes and quasi athletes."
- "Under Armour gained male and young female customers the most in 2014. Even among men, the age skews younger. They are all wealthy."

Under Armour vs. Its U.S. Competition

- "In terms of professional performance and prices, I have to say that Under Armour has big potential."
- "Women like to choose Under Armour because it is more professional and the style is more unique. They think Nike is more for the mass market, and Under Armour is more for the professional market."
- "I don't know from which vendors Under Armour gained market share in 2014, but I believe it will take market share from Nike in 2015 because its brand name is becoming more famous each year."

Under Armour Outside of North America

- "Under Armour expanded its brand name in China very well in 2014."
- "China will definitely be a focus for growth outside of North America in 2015."
- "Under Armour's supply and distribution network will allow the company to grow at a significant pace internationally starting in 2016. In 2015 its supply probably can't support significant growth."
- "Under Armour has the most potential for growth among professional runners outside of North America."
- "Under Armour will take the most share from other famous sports brands, such as Nike, in 2015 outside of North America. Chinese domestic brands are not its direct competitors."

Under Armour, the brand performance is very professional, which is the major reason for growth. Meanwhile, its brand style is different than other Chinese brands, which helps it gain Chinese customers who want unique styles. Also, its prices are acceptable. ... Under Armour expanded its brand name in China very well in 2014.

Manager, Fabric Company & Under Armour Supplier, China

7) Sales manager of a fabric company and Under Armour shoe supplier in China

Under Armour's major growth in footwear sector is outdoor shoes, while its [HeatGear](#) series is its most popular clothing line. It could rank in the top five athletic brands, but Nike still leads in the footwear industry because of its stable supplier network. UA found a strategic supplier in China but needs time to establish the partnership. The source forecast significant growth for the company in 2016.

Under Armour's Growth and Brand Position

- "In the footwear sector, I think Under Armour was growing very fast in 2014, especially its outdoor footwear series. ... This trend will be continued in 2015."
- "Under Armour's outdoor line is its No. 1 department in profits and growth. All its outdoor footwear uses Gore-Tex."
- "Under Armour can rank as a top-five athletic brand in the world. Wealthy people like this brand. They think is a high-end quality with a low-key brand image."

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- “I am not very familiar with the apparel market, but I have heard that Under Armour’s HeatGear series is the most popular activewear line.”
- “In Asia, particularly China, not many customers know or are familiar with Under Armour. Most of its customers are professional people whose work is related to sports.”
- “In terms of Under Armour footwear, the major series are running, basketball and outdoor. Its products have a very clear target customer group. Its running series can’t compete with Nike, but it may gain share from other vendors with outdoor shoes.”

Under Armour vs. Its U.S. Competition

- “Compared with Nike, Under Armour is still young. Nike spends a lot in R&D, so its technologies and designs are advanced in the footwear industry. There is no doubt that Nike is the market leader.”
- “Under Armour’s overall U.S. growth is definitely sustainable into 2015. We see its new designs as pretty good.”

Under Armour Outside of North America

- “Under Armour doesn’t have a stable supplier network compared with Nike. Nike has very stable OEM factories in China. ... Yue Yuen Industrial [Ltd./HKG:0551] and [owner] Pou Chen [Corp./TPE:9904] are its strong support for large demand. Although Under Armour’s running and basketball shoes are also produced by Yue Yuen, the production can’t be large because brands like Nike and Adidas are their top customers and their lead time and orders are guaranteed.”
- “Under Armour doesn’t have a strong supplier network for footwear, so its sales can’t grow too much due to the limitation of supply. Under Armour found a footwear strategy partner, a footwear OEM factory in Hunan province, in 2014. It needs time to cooperate well and smooth.”
- “Under Armour’s major market is still in United States. Maybe in 2016 its supply network will allow it to grow at a significant pace internationally.”
- “Running and basketball shoes will have stable sales in 2015. Outdoor shoe sales are growing too fast. Suppliers’ production and R&D can’t keep up with the pace, so 2015 will maintain 2014’s growth pace.”

Under Armour’s major market is still in United States. Maybe in 2016 its supply network will allow it to grow at a significant pace internationally.

Sales Manager, Fabric Company & Under Armour Shoe Supplier, China

8) Sales manager at a sportswear company and Under Armour supplier in China

Reputation has been the key to Under Armour’s growth, as have marketing and advertising. UA will see double-digit growth in 2015. It is one of the top athletic brands in North America but not in China. UA will look for new suppliers in other Asian countries because of China’s comparatively high labor costs. UA’s apparel for women grew the most in 2014, and will take some share from Nike and Adidas in this market. China will be a focus for growth.

Under Armour’s Growth and Brand Position

- “Under Armour’s growth [stems] from its performance apparel with professional reputation. Meanwhile, it has spent a lot in marketing and advertisements.”
- “According to orders, I think Under Armour’s apparel for women increased the most in 2014 although its core customers are still young men.”
- “Under Armour’s shoes sales are small. Its shoes are made by Pou Chen, which is also the OEM company for Nike, Adidas, Reebok, New Balance and [Kering’s/EPA:KER] [Puma](#). In April 2014, Pou Chen’s workers went [on strike](#), which impacted Nike and Adidas’ orders, but there was no impact for Under Armour.”
- “Under Armour can rank as one of the top athletic brands in North America but not in China because Chinese people are not familiar with this brand. It only has stores in big cities like Shanghai in China.”
- “I haven’t seen Under Armour’s apparel supply chain become less efficient as the company has grown in 2014.”

Under Armour vs. Its U.S. Competition

- “We are not very familiar with the sales, so I don’t have a good read on the U.S. market. I only know that the U.S. is Under Armour’s largest market.”
- “Its growth will be double digits in 2015. The major growth will be from women’s athletic apparel.”
- “I can’t really say which women’s sports apparel company has lost the most share to Under Armour. It might be Nike and Adidas because Under Armour’s material dries faster and the design is more fashionable.”

Under Armour Inc.

- “Nike is much more famous than Under Armour, and it is a brand that everybody can afford. Under Armour is a brand that is considered expensive.”
- “I have an American friend who knows Under Armour well. He said, ‘When I think of Under Armour brand clothing, I think of sporty clothing that is cool, fashionable and high-end, that appeals to a wealthier clientele than Nike, New Balance, Adidas and Puma. I think of Under Armour as well-made clothing and expensive.’ I think this is what U.S. customers’ opinion about Under Armour.”

Under Armour Outside of North America

- “Many people think that Europe will be the focus for growth outside of North America this year, but I have a different opinion. Europe’s population is small, so even if Under Armour is more popular there than in Asia, its sales will not be huge. China has the huge population base. ... China will be a focus for growth in 2015 and no later than 2016.”
- “For apparel, Under Armour’s supply network will allow the company to grow at a significant pace internationally. I don’t know about its footwear supply chain situation.”
- “If Under Armour takes share from other vendors in China this year, it will be from Nike and Adidas.”

9) Co-owner of a sports distribution company in the United Kingdom

Under Armour will continue to grow because it is known for exceptional undergarments. However, UA’s growth in Europe, especially the United Kingdom, is limited by a price markup of 50% more than the competition’s, intermittent difficulties in acquiring UA undergarments, and the high profiles of Nike, Adidas and Asics in local sports.

Under Armour’s Growth and Brand Position

- “Under Armour will continue to grow. They have a good product, the best product [in undergarments]. The quality is exceptional. It wears well, and it sells reasonably well.”
- “Everyone likes the [ColdGear](#), which keeps you warm in cold weather, and the HeatGear, which keeps you cool in hot weather. No one else makes and sells this sort of garment.”
- “There are times when we have a hard time stocking Under Armour products. We buy the products from Holland, but they aren’t always available. It is not always easy to buy what we need.”

Under Armour vs. Its U.S. Competition

- “In the UK, Under Armour has not taken market share away from Nike.”
- “Under Armour is known only for its apparel, its base layer, not for shoes and cleats. In the UK, Adidas and Nike have a higher profile than Under Armour for soccer. Nike is not used for field hockey; Adidas and Asics are used for hockey and rugby.”

Under Armour Outside of North America

- “Under Armour sells well in the United States, but it is not as big in Europe. We use a number of other brands, such as Asics.”
- “The downside of Under Armour in Europe is the price. It is very expensive in the UK, maybe up to 50% more, which hurts its prospects of growing.”

The downside of Under Armour in Europe is the price. It is very expensive in the UK, maybe up to 50% more, which hurts its prospects of growing.

*Co-owner, Sports Distribution Company
United Kingdom*

2) High School and College Athletic Coaches

Five of seven sources said Under Armour is a top sports apparel brand; two of the five said UA is in the top three, while one said it is No. 2 behind Nike. Four sources said UA offers better-quality apparel than its competitors, including Nike. Six sources believe UA’s growth will continue.

Key Silo Findings

Under Armour’s Growth and Brand Position

- 5 said Under Armour is one of the top sports apparel brands.

Under Armour Inc.

- 2 said UA is in the top 3.
- 1 said it is No. 2 behind Nike.
- 2 had no comment.

Under Armour vs. Its U.S. Competition

- 4 said Under Armour's apparel is better quality than competitors, even Nike.
- 1 said team athletes will often wear Under Armour apparel in addition to their school-sponsored Nike apparel.
- 1 said Under Armour is overpriced, as are its competitors.
- 1 said Nike dominates.

Under Armour's Growth Prospects

- 6 believe Under Armour's growth will continue.
- 1 had no comment.

1) Assistant coach with a major college football program

UA is considered one of the top three athletic clothing brands, along with Nike and Adidas. More student athletes are wearing UA clothing than in recent years. UA's reputation for quality performance may be a factor, although the lower price compared with Nike may be the more important consideration. Nike will continue to dominate the athletic shoe market. UA's shoes may gain share from companies such as Adidas and New Balance, which appear to be losing some of their appeal.

Under Armour's Growth and Brand Position

- "I'd say they're in the top three. There's Nike, Adidas and Under Armour. Those are the brands you see all the time."
- "I'm seeing more students on campus wearing Under Armour and not just for practice. I've seen a lot of people wearing Under Armour for street clothes."
- "They make good athletic clothing. The T-shirts really work at drawing off perspiration to help keep you dry. I guess you could also say the clothes are stylish. They look good."
- "T-shirts, hoodies and warm-up pants seem to be pretty popular."
- "I haven't noticed too many students wearing Under Armour shoes. With athletic shoes, it's pretty much Nike all the way."

Under Armour vs. Its U.S. Competition

- "Under Armour makes good performance clothing. I've never heard anybody complain about it. Some guys say Under Armour T-shirts do a better job of keeping you dry than Nike's shirts."
- "Brand awareness is a big part of this. Teams that have deals with Nike have to use Nike equipment and uniforms. There's that television exposure. Those deals are locked in for a certain time. There's also advertising and celebrity-athlete endorsements that get the products out there in front of an audience."
- "Under Armour probably has the edge over Nike in performance wear. I can't say whether Under Armour makes a great sports shoe or not. I don't see them very often."
- "Students who buy their own gear are looking at price. They're very brand-conscious, but price is still important. If you go to a sporting goods store you can get a Under Armour workout outfit for less than Nike. Both have great reputations in terms of performance, but when cost is a factor Under Armour is probably a little more attractive."
- "Female athletes are probably going more with Nike or another brand like [Lululemon \[Athletica Inc./LULU\]](#) or North Face. Under Armour advertising is aimed more at men."

Under Armour's Growth Prospects

- "If Under Armour stays a little less expensive than Nike, then I think they will grow. I see more students wearing Under Armour-branded clothing than in the last few years."
- "It's doubtful any company making athletic shoes is going to hurt Nike any time soon. Under Armour might pick up some growth from other brands that could be losing some of their appeal. Maybe New Balance or Adidas."

I'm seeing more students on campus wearing Under Armour and not just for practice. I've seen a lot of people wearing Under Armour for street clothes.

*Assistant Coach
Major College Football Program*

Under Armour Inc.

2) Assistant high school basketball coach in Florida

Nike still owns the market for sports shoes, but UA could grow at the expense of other brands. Female athletes tend to prefer designer brands like Lululemon and [Fabletics](#), while UA still appeals mainly to men. UA is gaining in popularity among teen athletes, who generally want the complete brand in their ensemble, from clothes to shoes.

Under Armour's Growth and Brand Position

- "I'd say Under Armour is No. 2 behind Nike for athletic clothes. Their shoes, not so high. Nike is No. 1 in athletic shoes, no question. Then you've got Adidas and Reebok, Asics, [Skechers \[USA Inc./SKX\]](#) and New Balance. Those are just the ones that come to mind. I couldn't begin the count the number of different shoe styles for different sports, for running, training, walking. It doesn't seem like Under Armour is on the radar for athletic shoes."
- "We have a lot of students wearing the Under Armour clothes. It's not just for the gym; that's how a lot of them dress for class. It's a very popular brand."
- "I see Under Armour shirts and hoodies more than anything else."
- "Under Armour makes good products, and their advertising is very slick. I think that's part of the appeal. Young people want to identify with the athletes they see on TV wearing these clothes."
- "I've seen Under Armour shoes in stores. They look well built, and some of their styles cost a little less than Nike. But the prices are really all over the place. If you took the logo off them, it would probably be hard for people to tell these shoes apart. With Under Armour, it's probably an awareness thing. If you know somebody who wears them and they say good things, you're more likely to try a pair."

I'd say Under Armour is No. 2 behind Nike for athletic clothes. ... We have a lot of students wearing the Under Armour clothes. It's not just for the gym; that's how a lot of them dress for class. It's a very popular brand.

Assistant High School Basketball Coach, Florida

Under Armour vs. Its U.S. Competition

- "Under Armour makes excellent athletic clothes. That's what they're known for and what they are good at. The fabric holds up well considering the use it's put to."
- "I don't know that anyone can beat Nike on athletic shoes. Under Armour clothes are probably a little better. The thing with sports clothes is that it's not just about performance, although maybe it should be. There's also the image. I think to some extent when you buy a particular brand part of it is making a personal statement. For a lot of kids, it's a status thing, an image they want to project."
- "I think athletes who are serious about performance might choose Under Armour clothes over Nike, but with shoes it's just the reverse."
- "Young men wear the Under Armour shirts and hoodies. You don't see that with young women. They're more into Nike or more designer-type brands like Fabletics or Lululemon."

Under Armour's Growth Prospects

- "[UA] will become more popular. I'm seeing the Under Armour logo a lot more at school."
- "Under Armour might take away [sales] from some of the other brands but probably not Nike, not for athletic shoes."
- "If Under Armour can persuade people with their advertising, I think their shoes could start to be more popular than some of the other brands."
- "The one thing I think could make a difference is a lot of young people want the complete outfit to be one brand: shirt, sweats, a hoodie and the shoes. It could be that someone who has some UA clothes would want to get a pair of UA shoes as well."

3) High school football coach in Georgia

Under Armour is among the top brands in sports apparel, appealing mainly to male athletes. Sales of UA athletic shoes, as well as other UA products, should continue growing in 2015 although market share would come at the expense of comparable or smaller companies. Nike is not going to be affected any time soon in the athletic shoe business but may be slightly vulnerable to UA on the clothing side. Brand identity, advertising and endorsements are the key components in sports apparel sales. UA produces effective advertising and is viewed as a "hot" brand. It also is known for continually introducing in-demand styles and designs.

Under Armour Inc.

Under Armour's Growth and Brand Position

- "Under Armour is one of the most popular brands out there. People know the UA logo as well as Nike's swoosh."
- "We've got more teenage boys coming to school in Under Armour hoodies and warm-up pants. It's a hot brand."
- "I think the advertising has made it appealing."
- "If they want to take on Nike in the sports shoe business, they'll have their work cut out for them. More likely they can pull ahead of other brands."

Under Armour vs. Its U.S. Competition

- "The shirts feel good, and they look good too. The material absorbs better than other brands."
- "Under Armour is really hot right now, so Nike may be a little vulnerable on the clothing side."
- "The impression I have is more serious athletes, the ones charging the hardest, go more with UA. I don't know how much of that is based on how well the shirts perform or if UA's advertising is sending that message."
- "Under Armour is definitely more popular with male athletes."

Under Armour's Growth Prospects

- "UA's popularity is growing. They do make good products, but so much of this is tied to branding and the advertising and who's endorsing the product."
- "If UA's athletic shoes perform as well as their clothing, they should increase their sales. I don't think it will come at Nike's expense though. UA does a good job of introducing new styles and designs, and I think that's what people want. They want what's new and different from what they've already tried."

People know the UA logo as well as Nike's swoosh. ... We've got more teenage boys coming to school in Under Armour hoodies and warm-up pants. It's a hot brand.

If UA's athletic shoes perform as well as their clothing, they should increase their sales. I don't think it will come at Nike's expense though. UA does a good job of introducing new styles and designs, and I think that's what people want.

High School Football Coach, Georgia

4) Assistant high school football coach in Alabama

UA stands with Nike and Adidas among the top sports apparel brands. Its shoe sales should accelerate in 2015 although not at Nike's expense. Lesser brands are more likely to be affected by UA's push for a greater share of the athletic shoe market. Growth depends heavily on effective advertising, for which UA already is well known. UA continues to be a brand of choice mainly for male athletes, while females prefer Nike, North Face and other brands that have the perception of being more fashion-oriented.

Under Armour's Growth and Brand Position

- "Under Armour ranks with Nike and Adidas as a top brand. Nike is tops for athletic shoes; UA is known mainly for their line of performance clothes."
- "We see a lot of our athletes wearing UA workout clothes to practice. An old T-shirt and gym shorts or sweats just don't cut it anymore. I think wearing good workout clothes makes you feel better and maybe exercise harder."
- "For athletic clothes, they're very stylish. People wearing them look sharp and serious about their game."
- "The moisture-wicking shirts and workout pants are popular. Hoodies are always popular."
- "If they promote their shoes as well as their clothing line, their shoes could really take off. I don't know for sure, but I would have to think their shoes are made at least as well as their clothes."
- "There's a lot of brand loyalty in sports, but if something comes out that works well and it's priced right, people are willing to try something different."

Under Armour vs. Its U.S. Competition

- "Under Armour's performance clothes are probably better than anything else available. There are a lot of different styles and colors, and I think that helps them because maybe you want Under Armour products, but you still want something different from what everybody else is wearing. A lot of companies come out with pretty much the same stuff every few months, over and over. Adidas is one."
- "Under Armour can take on all comers with their performance clothes, even Nike. But whatever Nike lacks in clothing, they make up for it in shoe sales."

Under Armour Inc.

- “I think Under Armour appeals to guys in their commercials. The only word for it is macho. You look at the commercials and you see these tough-looking athletes who mean business. They’re in it to win. For an aspiring athlete, that’s a pretty powerful message.”
- “Guys go for Under Armour. For girls it’s more along the lines of Nike and North Face. They’re more interested in fashion than the guys.”

Under Armour’s Growth Prospects

- “Under Armour is going to keep growing. They have a lot of styles with different pricing, so people can afford the clothes more than some other brands. North Face and Nike are pretty pricey.”
- “Under Armour needs to get the word out about their shoes. I don’t know that they’re on people’s radar like Nike when people go shopping for sports shoes. If their advertising for sports shoes is as powerful as their clothing line, they will do very well.”

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*Assistant High School Football Coach
Alabama*

5) Director and assistant director of a school district aquatic center on the West Coast

Sportswear companies, including UA, will continue to grow because people are more active now. UA’s bright colors and fashionable clothes attract consumers, and its thermal wear is well made. On the down side, UA clothing is overpriced and wears out easily. Also, UA shoes are not as comfortable as Nike’s. Swimwear is dominated by Nike, Pentland Group PLC’s [Speedo](#), [TYR Sport Inc.](#) and Jade Swimwear’s [Dolphin](#). Chinese consumers may gravitate toward UA more as a fashion statement rather than for workout clothes.

Under Armour’s Growth and Brand Position

- “Under Armour and other sportswear companies will continue to grow because people, the general population, are more active now than they were five years ago.”
- “Under Armour’s bright colors are very popular, and their clothes are fashionable. Generally, they are known for good-quality thermal wear, their specialty.”
- “I bought one of their raincoats. It was overpriced, but I like it, although it is not waterproof. We’ve heard of other UA stuff just falling apart.”
- “Under Armour customers are skinny women who go to the gym early, body builders, or football players on a major college team. They are well off and can afford Under Armour.”
- “I have no idea how they are targeting women, but that [ballerina commercial](#) just doesn’t fit.”

Under Armour vs. Its U.S. Competition

- “Under Armour clothing is all overpriced, like Lululemon. The company offers more expensive workout apparel. They have outlet stores in discount malls, but you really don’t see any discount. People may be attracted to other brands that offer a true discount.”
- “Top swimming brands are TYR, Speedo, Nike, Dolphin. We are not sure if Under Armour sells swim clothes, but it probably is not in the same category.”
- “I’m not sure if Nike is feeling any pressure from Under Armour. I do know that Nike shoes are priced cheaper than Under Armour shoes, and they last longer.”
- “I don’t know much about [UA] shoes. I tried them on once, but they weren’t comfortable to my foot so I didn’t buy them. I’ve had a lot of foot injuries, and UA shoes are made for people who can tolerate pain.”
- “I’m not sure about sales outside of the United States, but I hear that China is a big consumer.”

Under Armour’s Growth Prospects

- N/A

6) Field hockey program head at a West Coast high school

Under Armour will continue to grow as workout clothes also are used for daily wear, both inside and outside of the United States. Students at Nike-sponsored schools must wear its uniforms, but they also buy and wear UA practice clothing.

Under Armour Inc.

Under Armour's Growth and Brand Position

- N/A

Under Armour vs. Its U.S. Competition

- "My players wear some Under Armour clothing in addition to the school's Nike brand. I know they wear Under Armour sports bras and practice clothing. So even though we are our Nike school and our team uniforms are from Nike, the players still wear Under Armour clothing. They tend to like both brands."
- "Our players like the look and feel of the Nike [Dri-FIT](#) material, but I think it holds bad odors."

Under Armour's Growth Prospects

- "I imagine Under Armour will continue to grow. I do know that people are starting to wear activewear as daily clothing, not just for workouts."

My players wear some Under Armour clothing in addition to the school's Nike brand. ... Even though we are our Nike school and our team uniforms are from Nike, the players still wear Under Armour clothing. They tend to like both brands.

*Field Hockey Program Head
West Coast High School*

7) Assistant coach at a Midwestern college

Under Armour will continue to do well because it offers high-quality apparel, and people like to try different brands. This source said UA is associated with women and workouts, while Nike is associated with men and basketball. Nike is solid and does not consider UA a threat.

Under Armour's Growth and Brand Position

- N/A

Under Armour vs. Its U.S. Competition

- "We are sponsored by another brand. There are a bunch of rules on what we can and cannot do, but in competition we must wear that brand. During practices we can wear what we want."
- "In this area there is a lot of community support for Nike, especially with their celebrity commercials. Nike is pretty solid, they have been around a long time, and I don't think they are concerned too much about Under Armour."

Under Armour's Growth Prospects

- "Under Armour will continue to do well. There is a wide perception that Under Armour has high-quality apparel. Some people would prefer Under Armour over the competition. People like to try something different."

3) Personal Trainers

All six sources believe Under Armour is among the top sports apparel brands. Three expect UA to take share from Nike this year. However, UA lags behind its competitors, especially Nike, in athletic footwear.

Key Silo Findings

Under Armour's Growth and Brand Position

- All 6 believe Under Armour is among the top in sports apparel popularity.
- 1 even said Under Armour is in the top 3 of brands, with Nike and Adidas.
- Under Armour's shoes are lagging behind many other competitors, especially Nike.

Under Armour vs. Its U.S. Competition

- 2 believe Under Armour offers better-quality apparel.
- 3 said Under Armour will take market share from Nike.

Under Armour's Growth Prospects

- All 6 sources expect Under Armour to become more popular this year.

Under Armour Inc.

1) Personal trainer for an Athletic Club; repeat source

Under Armour is growing in popularity, especially among men who are wearing fitness apparel outside of the gym. The brand benefits from its great feel, its styling and its attention-getting logo. UA's sales will be stronger in 2015.

Under Armour's Growth and Brand Position

- "I've seen more Under Armour in the past year or so, mainly because men are wearing more fitness apparel. They wear the Under Armour shirts and shorts. Women still prefer Lululemon. I wear the Under Armour capri pants for classes."
- "Under Armour is becoming more popular because it looks and feels like workout clothing. It's not just a sloppy T-shirt and gym shorts. You feel better in it when you are working out. You look better, you feel more the part."
- "It's gaining most among men."
- "I bought a pair of their shoes because they were cute, but they were not good for both running and training. That is really what someone needs to make: a shoe that has cushioning for running but enough lateral support for training."

I've seen more Under Armour in the past year or so. ... Under Armour is becoming more popular because it looks and feels like workout clothing.

Personal Trainer, Athletic Club

Under Armour vs. Its U.S. Competition

- "Under Armour appeals most to sporty-type people, active types who lift weights or play basketball. It has that athletic feel."
- "Under Armour stands out when it is worn because its logo is kind of cool and different. That helps get the brand noticed."
- "I like the Under Armour advertisement with the dancer in it. She's a ballerina who is super fit and muscular."
- "I stopped using Nike a long time ago, partly because I don't think their shoes are any good. Nike had its time."

Under Armour's Growth Prospects

- "I think Under Armour sales will keep getting better."

2) Manager/trainer for Gold's Gym in Kansas

Most members, especially men, wear Under Armour. Its price, selection and marketing portend continued growth.

Under Armour's Growth and Brand Position

- "Under Armour has become as popular as any other brand, especially for men."
- "I have noticed more of it, for sure. I see most people wearing it now. I wear it all the time myself."
- "It's popular because it's affordable and accessible. A lot of places sell it."
- "Men like the long-sleeved shirts. I have one on now. Women wear the leggings quite a bit."

Under Armour vs. Its U.S. Competition

- "It's got to be hurting Nike. I haven't bought any Nike since I started wearing Under Armour."
- "For women, Under Armour comes in a lot of colors and styles that I am sure helps it compete. It is also good-quality material."
- "Under Armour has a price advantage over Nike."

Under Armour's Growth Prospects

- "You have to believe it will stay popular. It's a good product, and it is marketed strongly. Sales reps come in here all the time. We get discounts for staff purchases. Some of our members are sales reps too, and we buy from them."

3) Personal trainer in a boutique New York City gym

This source mostly wears Under Armour and Lululemon products. The UA brand is undergoing a shift by introducing products and featuring commercials with celebrities like Gisele Bündchen. Its popularity is due to increased visibility, high quality and durability, and marketing. Lululemon, Gap Inc.'s (GPS) [Athleta](#) and Nike are comparable athletic brands, though Gap's [Old Navy](#) also is growing in visibility and popularity. The source cited growth potential for both Under Armour's clothing and shoes in 2015. However, the company needs to introduce more variety and colors in its shoes.

Under Armour's Growth and Brand Position

- "Under Armour is one of the top athletic brands. The durability of its clothing is really important for trainers and people who are working out regularly. Workout and athletic wear is expensive as it is, and the durability is important. I've had some of my Under Armour clothing for four years, and it's still just as great as the day I got it."
- "Lululemon, Athleta and Nike are comparable brands to Under Armour. Almost all of my workout clothes are Under Armour or Lululemon. A lot of other people use Nike and Athleta. What's becoming more prominent is actually Old Navy workout clothes. I haven't purchased any myself, but I've seen a lot of people purchasing it because it's less expensive and it's got a lot of fun prints."
- "Under Armour's new commercials and promotions with Gisele Bündchen have made a difference. The message that it delivers is pretty impactful; people are paying attention to the message that companies are giving out. If you're going to be spending a lot of money on athletic wear anyway, it might as well have a good message. It's all about not letting others put you down. Under Armour's putting out these positive messages especially for females, whereas Lululemon went through some issues with its [CEO](#) talking about the types of people the company wants wearing its clothing."
- "A lot of the reason for Under Armour's popularity is messaging. It's also becoming more visible. ... A lot of Under Armour sweatshirts have a big logo on it. I feel like its space in retail is more prominent, with more window displays in the front of the store."
- "The Under Armour leggings are most popular. There are a lot of compression leggings and also tights and capris. Under Armour has a lot of tights with useful features."
- "Under Armour has gained the most popularity with people in their late 20s and early 30s. It's popular with both men and women, but because it's more expensive it's for people who are getting their careers underway, who are starting to make a little more and can afford to splurge a little bit. It's a point in their lives where they're taking their health more seriously. They want something more long-lasting and find it motivational to go out and buy more clothes."
- "Under Armour's trying to become a top athletic shoe brand. I haven't used its athletic wear yet, but I've seen it. I just need to get down to the store because I do want to try it. Nike first started being more focused on footwear and then broke into apparel. Under Armour is trying to do the opposite by starting with apparel and then breaking out into shoes."

The durability of its clothing is really important for trainers and people who are working out regularly. Workout and athletic wear is expensive as it is, and the durability is important. I've had some of my Under Armour clothing for four years, and it's still just as great as the day I got it.

*Personal Trainer
Boutique New York City Gym*

Under Armour vs. Its U.S. Competition

- "Under Armour is better than other brands in terms of performance. From my experience, it's not a brand that rides up. ... I've always had really good experiences with the material. It doesn't hold on to smells like some other fabrics. You can wash them a million times, and it still has the same elasticity. Some of my stuff I've had for a while."
- "Under Armour actually has a good mix of really great colors and more traditional styles like just black and white. In athletic wear, prints and bright colors are the go-to, but you also have people who want something more simple."
- "[L Brands Inc.'s/LB] [Victoria's Secret Sport](#) is becoming more visible in women's athletic apparel though it's still under Under Armour."
- "Nike is a little more traditional just because they've been around longer. I don't think it's as geared towards women as Under Armour might have become. Their pieces are not very flattering for women. Even though you're wearing athletic wear, you still want to have some shape to you. Under Armour's products fit to your natural form. Anytime I've used Nike leggings or capris, I've felt like it didn't really fit my body right. I just feel like it's not as flattering."
- "Nike and Under Armour aren't of the same caliber. Under Armour is directed and geared towards more serious and elite athletes, whereas Nike is more for everyday use. Right now Nike has more sponsorships and is more visible. It's

Nike and Under Armour aren't of the same caliber. Under Armour is directed and geared towards more serious and elite athletes, whereas Nike is more for everyday use. Right now Nike has more sponsorships and is more visible. It's just a matter of time before Under Armour gets those same types of sponsorships.

*Personal Trainer
Boutique New York City Gym*

Under Armour Inc.

just a matter of time before Under Armour gets those same types of sponsorships. Under Armour is more exclusive than Nike.”

- “Durability, fit and functionality are factors that might make someone prefer Under Armour over Nike. For some people Nike might be a better fit; for others it might be Under Armour.”
- “Customers who do [CrossFit](#) are definitely more into Reebok. Reebok has been leading the way with CrossFit because it has [specific clothing](#) for CrossFit. However, I feel like it has more to do with what they’re comfortable in than the discipline. Most of the people I train are focused on weight loss, so we’re doing more functional work. For that, it has more to do with what they feel comfortable in.”

Under Armour’s Growth Prospects

- “The Under Armour brand will become more popular. Probably some of it has to do with the fact that everything I wear is Under Armour, and that can affect my customers. It’s also just becoming more visible. It has sample sales twice a year across the street from where I work.”
- “Under Armour will gain vs. Nike in 2015. People always want the latest and greatest. Under Armour is not a new brand, but it’s almost being repositioned as a new brand, especially as it adds athletic wear. Nike has already been around. You kind of know what you’re going to get with it. I don’t feel like there’s a whole lot of innovation. With Under Armour, people are kind of asking what it is and wanting to learn more about it.”
- “I haven’t tried out Under Armour shoes myself; it’s just something I know I want to try. I think there’s potential there, but it might need better placement with the shoes and a little more variety until that really picks up. Color and style are important. I actually was on the Under Armour website yesterday; I only saw a handful of pairs and there weren’t a ton of colors. Right now really colorful shoes are the trend, so people are attracted to the brighter shoes. Customers don’t necessarily look for function when they’re purchasing their shoes. They’re attracted to style and try the shoes out a couple of times to see how it functionally fits, then decide whether or not to keep them.”

4) Personal trainer in New York City

This source primarily trains high school athletes and middle-aged women. He said Under Armour is a match with competitors in terms of style, colors and product quality. However, he believes UA’s masculine marketing approach may have alienated women. He does not see women wearing the brand, though he said this may change because of more recent marketing efforts. UA will continue become more popular in sports apparel but holds less potential in the shoe market, which is dominated by Nike.

Under Armour’s Growth and Brand Position

- “I’ve really noticed a big divide among sports in terms of which brands dominate certain sports. Nike is definitely No. 1 overall, no debate about that. Nos. 2 to 5 can get a little bit interesting. For example, with football the jerseys are Nike because they have contracts with a lot of football players. However, the long-sleeved and short-sleeved shirts are Under Armour. They split based off the type of equipment used. In baseball, you’re not going to see a lot of Under Armour. You see New Balance, [Mizuno \[Corp./TYO:8022\]](#) and other lesser-known companies. Soccer is dominated by Adidas and Puma. Basketball is also Nike and other brands. Under Armour is predominantly for football and mixed long-sleeved and short-sleeved shirts. Under Armour is in the top of five. With the kids I train, Under Armour is very, very popular.”
- “Under Armour is growing in popularity with basic workout clothing. There’s this whole new neon and bright color craze for people who are working out. Nike started that trend, but the next brand behind that is Under Armour.”
- “I personally really like Under Armour. It’s really high quality. It’s got a good reputation and visibility. When I go into a store, the first three brands I’m going to notice are Under Armour, Adidas and Nike. It does a good job of branding. I think it’s definitely evident in the commercials that Under Armour has. It made a stir when they sponsored that dancer and headlined focusing on female athletes that don’t necessarily play in conventional sports but are active.”
- “The workout shirts are definitely the most popular—the [Nike] Dri-FIT shirts, the tight-fitting shirts, [UA’s] long-sleeved ColdGear ones. The ones for football are especially popular, including with the super-hero characters. All the high school kids have at least one Under Armour shirt.”
- “Under Armour has gained in the high school population. I didn’t see Under Armour too much in college. The high schoolers are definitely wearing a lot of it. The colors are responsible for the popularity. That’s why Nike’s doing well too. If you go into the store, you’re going to see all these bright neon greens, oranges, reds and even pinks. People want to mix and match with every color and type of shoe they have.”

Under Armour Inc.

- “I wouldn’t say Under Armour is becoming a top athletic shoe brand. I know it’s very popular with shoes, especially with the cleats in football. But 90% of the shoes are Nike. With runners, you’re going to see brands like Asics and New Balance. Basketball players are almost always Nike and Adidas. When I’m thinking of getting a training shoe, my immediate thought is not Under Armour.”

Under Armour vs. Its U.S. Competition

- “Under Armour is definitely in the top three brands with Nike and Adidas. Nike is ahead though. It’s just so well known, and people are so quick to jump to Nike. But I’ve had Under Armour and I own shirts that are just as comfortable as Nike’s. Ultimately it’s brand perception.”
- “If Under Armour has gained on one brand in particular, it would be Nike in terms of general workout clothes that are available now. Based off the kids I train, it’s growing in popularity.”
- “Nike and Adidas are driving sales and growth in women’s athletic apparel. I see New Balance sometimes. It’s the tone of the brand and general advertising that affects women more. For example, there was an Under Armour commercial during Christmas and it showed Santa getting buff in the gym and getting Under Armour stuff. It was funny, but most women don’t want to get buff and don’t want to lift weights. To an average person looking at that, they’re going to think, ‘That doesn’t apply to me; that applies to a guy.’ You never know if that’s going to change, and I think Under Armour has recognized that and has tried to combat that.”
- “Nike shouldn’t be worried about Under Armour because it’s going to be No. 1 for a while. But Under Armour is something Nike should take note of. Nike needs to figure out how it’s going to distinguish itself now. If Under Armour continues with its advertising, it’ll gain even more. It’s distinguishing itself, not just following Nike.”
- “Price might make someone prefer Under Armour over Nike. Nike is the most expensive usually, but Under Armour is very close to it if not the same. If Under Armour products were \$5 cheaper, I’d be more inclined to buy that. If there’s a \$40 Nike product and a \$40 UA product, I’m usually going to pick the \$40 Nike product. It’s strictly the brand recognition. The logo is so widely known and recognized.”
- “I train two groups of people. The first group is the high schoolers who play baseball and basketball. The second group is middle-aged women who want to get fit. You’ll never see middle-aged women wear Under Armour; it’s not even a thought that crosses their mind. The women always have Nike, sometimes Adidas.”

I wouldn’t say Under Armour is becoming a top athletic shoe brand. ... 90% of the shoes are Nike.

Personal Trainer, New York City

Under Armour’s Growth Prospects

- “Under Armour will definitely be more popular in 2015, just seeing the move it’s made in its marketing division and how it’s going after Nike with the colorful products and general fitness. Under Armour’s got a great product and can compete with style.”
- “Under Armour gaining on Nike is a longer-term thing. It’ll slowly start moving up, but it’s going to take some time. It’s just the fact that Nike was essentially No. 1 and you see Nike the most in professional sports—the basketball jerseys, the football jerseys, big name sponsorships for individual athletes. The best athletes in almost every sport are sponsored by Nike.”
- “There’s not as much potential growth for Under Armour shoes. I would say Under Armour should focus more of its efforts on clothing lines than the shoes. Nike’s best product is its shoes. If you look at the one sport that really focuses on shoes, it’s basketball. You don’t see Under Armour shoes in basketball. People who don’t even play basketballs will get Nike just because they see it on the players.”

5) Fitness club owner in Southern California

This source said Under Armour has become more popular among men and women in the last year. Endorsements from top female athletes are generating interest in the brand. Nike is a tough competitor, but UA offers a range of colors and styles to match seasonal shifts and uses a better-quality fabric for wicking.

Under Armour’s Growth and Brand Position

- “I love Under Armour. I wear it as well as Nike.”
- “Many of my customers also wear it. The quality is better than Nike.”
- “I would say it’s about No. 2 on the list of the top 10 brands out there, with Nike at the top.”
- “It’s mostly men that wear Under Armour in my studio or among my private clients, but more women are wearing the brand.”

Under Armour Inc.

- “They are mostly wearing the Under Armour shirts. The fabric is better for running.”
- “I wouldn’t say the company is expanding with the shoes. Nike is still pretty much the best seller. A lot of my clients who run use Asics.”
- “Under Armour used to be viewed as a men’s fitness line, but it’s really becoming more and more popular with women, especially with the endorsements they have from some of the top female athletes. I’m sure that’s going to be expanding in the future. We’ll see more and more women wearing it in ads on TV and in magazines.”

Under Armour vs. Its U.S. Competition

- “Under Armour is just more durable and offers a more professional feel than Nike for some items.”
- “They have also done a good job coming out with very unique colors and styles, especially for the women. They seem to understand how to make it very feminine but keep it serious for real athletes.”
- “Nike has definitely had some impact from Under Armour, but I would imagine so have many of the other brands, like Adidas, Lululemon.”
- “My clients are choosing Under Armour because it feels more professional and lasts longer than Nike.”

Under Armour’s Growth Prospects

- “I imagine Under Armour can grow.”
- “I don’t know about the shoes, but I’m pretty sure the brand will expand as far as clothing goes.”
- “It’s going to be tough to outdo Nike when it comes to the shoes. The brand is so solid, and there are no issues with their shoes for the most part. Still, some of my customers prefer Asics for running because they are wider and offer different levels of support.”

I would say it’s about No. 2 on the list of the top 10 brands out there, with Nike at the top. ... Under Armour used to be viewed as a men’s fitness line, but it’s really becoming more and more popular with women, especially with the endorsements they have from some of the top female athletes.

*Fitness Club Owner
Southern California*

6) Personal trainer in Marietta, GA

Under Armour is doing well among the competition. This source and her friends wear the brand. While she does not think UA will touch Nike’s share in the shoe market, she said the two companies will compete in sportswear. UA’s sales growth is sustainable.

Under Armour’s Growth and Brand Position

- “Under Armour ranks very high. I wear it personally, and a lot of my friends do as well.”
- “I’ve noticed Under Armour becoming more popular in 2014, in particular the sweatshirts.”
- “The brand has become popular because of the quality. I think their quality is better than Nike’s.”
- “Under Armour’s most popular product is the sweatshirt.”
- “I’d say the group Under Armour has gained the most popularity in 2014 with is young kids. I’ve known about Under Armour for a couple of years, but my kids have just started liking it. They range from 10 to 17 years old.”
- “I think the shoe brand is getting recognition. I’ve seen the shoes more now than I did a year ago.”

Under Armour vs. Its U.S. Competition

- “Under Armour’s products are head and shoulders above the rest as far as durability. Their clothes just last longer.”
- “I wear Under Armour and Nike. I don’t see people wearing much Reebok and Adidas as much anymore.”
- “The thing that is driving sales and growth in women’s athletic apparel is knowledge. Women used to think fitness was just a men’s game. Female fitness has grown so much. There are women athletes that are promoting athletic wear for women. The top players are Nike, Under Armour and New Balance.”
- “I don’t think Nike is vulnerable to Under Armour overall. Under Armour might compete with Nike, but they won’t take them over. Possibly Under Armour would take some market share with their clothing but definitely not their shoes.”

I don’t think Nike is vulnerable to Under Armour overall. Under Armour might compete with Nike, but they won’t take them over. Possibly Under Armour would take some market share with their clothing but definitely not their shoes.

Personal Trainer, Marietta, GA

- “People prefer Under Armour’s durability and style over Nike. Of course, if I bought both brands of clothing and one lasted longer than the other, then I would buy the brand that lasted.”
- “My customers prefer Under Armour by sport. In the gym, Nike still ranks highest in sports. But for specific sports like baseball, softball and football, Under Armour is the choice.”

Under Armour’s Growth Prospects

- “The Under Armour brand will be more popular in 2015. The trend seems to be on the upswing. I don’t know any statistics, but I see it’s more prevalent. My kids help me gauge what is popular. They all wanted Under Armour sweatshirts with the hoodie for Christmas.”
- “I don’t know if Under Armour will gain as a brand vs. Nike. Nike is such a deep brand that has been around a long time. Nike is popular across the board.”
- “The potential growth for Under Armour athletic shoes has to be in the positive. There is growth ahead. ... The shoes are good looking. If they can get a campaign going with athletes that you can relate to and get behind, then they will do well. The lesser brands will suffer from Under Armour’s growth. Nike may suffer a little bit. I feel Reebok and Adidas are moving out the door.”

4) Independent Sporting Goods Retailer Personnel

Most of these nine sources said Under Armour will continue to grow this year, thanks in part to its increased popularity among women and to its superior apparel quality. The brand is considered second to Nike but ahead of Adidas. UA is expected to continue to take share from both brands. UA lags behind in footwear sales, but one source said teens are buying the brand’s shoes to go with their UA apparel.

Key Silo Findings

Under Armour’s Growth and Brand Position

- 8 of 9 sources have seen sales for UA grow.
- 3 sources specifically mention women’s apparel as a reason for growth.
- UA stands below Nike but above Adidas, Asics, etc. in terms of popularity.
- 1 has seen sales plateau.

Under Armour vs. Its U.S. Competition

- 1 said UA is selling better than Nike in apparel.
- The remaining 8 sources said Nike is still considered the No. 1 brand.
- UA will take share from Nike and Adidas.
- UA’s quality sets it apart from competition.
- UA lags behind in footwear, but 1 source said teens are buying the brand to match with their UA apparel.

Under Armour’s Growth Prospects

- 6 of 9 sources believe UA’s growth will continue.
- 1 reported a possibility of further growth.
- 2 had no comment.

1) Manager and associate for Dick’s Sporting Goods, Kansas

Under Armour is one of this store’s biggest sellers, with price point giving it an advantage over Nike. The source expects UA to see continued growth.

Under Armour’s Growth and Brand Position

- “Under Armor is one of our best sellers for sure.”
- “It’s been really popular this quarter, especially since Black Friday.”
- “Sweatshirts are really popular, especially when they were on sale on Black Friday. The compression shorts and pants sell well.”
- “Women buy quite a few T-shirts and leggings. ColdGear is doing well in this weather, and the [Infrared](#) is popular.”

Under Armour Inc.

- “I didn’t even know Under Armour made shoes until I started working here. Kids’ shoes in Under Armour seem to sell the best, better than for grownups.”

Under Armour vs. Its U.S. Competition

- “Under Armour must measure up well against the competition because it is selling great. But people don’t really say why they buy it over the other brands.”
- “The price of Under Armour makes it competitive. Nike is on the higher end, so a lot of people buy Under Armour instead.”
- “It’s hard to say who, if anybody, is losing business to Under Armour. Sales of the competing brands have also been good.”
- “Under Armour seems to sell a little better with men than with women.”

Under Armour’s Growth Prospects

- “It should keep growing. ... Sales are strong, and there is no reason to think there will be a drop-off.”

Reporter Observations: Under Armour had aisle displays for men’s wear, particularly shorts and T-shirts, but Nike apparel was at the front of the store. We noted multiple tables at the rear of the store with clearance clothing 25% off, including Under Armour, Nike and Reebok. The store was quite busy for a holiday. Shoppers were not browsing Under Armour any more than they were other brands.

It’s been really popular this quarter, especially since Black Friday.

*Manager & Associate
Dick’s Sporting Goods, Kansas*

2) Team leader for Academy Sports + Outdoors in Kansas

Under Armour sales should grow further because the brand keeps adding items and has favorable price points. It exceeds sales of Nike apparel, but Nike still sells a lot more shoes. UA is drawing share from a variety of brands.

Under Armour’s Growth and Brand Position

- “Under Armour sells well. It is getting better, and I have not seen a slowdown.”
- “It ranks up there with Nike because it does so well with apparel, better than Nike now. Nike still pulls its weight because of its shoes. We sell about as many Nike shoes as the other combined.”
- “Under Armour sells because it offers a lot of selection, and it also is a little cheaper than Nike. If you go with Nike, you end up spending \$200 on shoes, pants and a shirt for workouts. With Under Armour you are looking at about half of that.”
- “Under Armour is recognized as a hunting brand. It’s hunting gear, but you can wear it out and about, and people do. It becomes an everyday wear.”
- “Their shoes sell every now and then. They do better than some, such as our house brand [Magellan](#), but not nearly as well as Nike. They do have a good price point.”
- “The core customer of Under Armour would be more of the everyday athlete, not really the hardcore person who goes to the gym every day. They are people who stop at the gym after work.”
- “The brand has gained most among men.”
- “We have pretty good inventory of Under Armour. There are things I wish they sold more of in bigger sizes, which I need. We get stuff in sporadic amounts. There is no real consistency to the deliveries.”

It ranks up there with Nike because it does so well with apparel, better than Nike now. Nike still pulls its weight because of its shoes. We sell about as many Nike shoes as the other combined.

*Team Leader
Academy Sports + Outdoors, Kansas*

Under Armour vs. Its U.S. Competition

- “Under Armour does well for its fabric; people like how it feels.”
- “It hasn’t really drawn share from any one brand. It’s pulling from different brands. People are choosing Under Armour over what they bought earlier.”
- “Sales of Under Armour for women have increased too but not as much as for men. [Women] buy a lot of the hoodies, and they like the bright colors and patterns.”
- “Under Armour is marketed more as a workout brand, while Nike is more like basketball shorts and things like that.”
- “Nike has its moments. Under Armour sells continuously better.”

Under Armour’s Growth Prospects

Under Armour Inc.

- “Under Armour sales should keep growing. They are constantly putting out new things, such as a new fabric they are supposed to release soon. They put out the ColdGear, they put out the [Storm](#). They put out new products, whereas Nike keeps putting out the same products.”
- “Under Armour also goes on sale a lot. Everything in the brand was 25% off after Christmas. Some of the stuff is on clearance now.”
- “The variety of clothes they offer also makes them strong for the future. People like to buy a lot of stuff that matches.”

Reporter Observations: Under Armour and Nike were promoted with large ceiling signs. UA was close to the store entrance for women, but Nike had that spot for men. An assortment of UA clothes was offered, including headwear, underwear, sweats and shoes. Some were on clearance. An ad flier had a full page of UA clothes.

3) Dick’s Sporting Goods sales associate, Southern California

Under Armour shoe sales are sluggish, and inventory is relatively small compared with Nike and other brands. However, clothing sales for the brand are outpacing Nike’s, particularly in the women’s section. Sales are being driven by higher-quality fabric and wicking material, combined with an expanded line of styles that can be considered crossover wear. Kids’ Under Armour is also growing in popularity. Sales likely will continue to grow for Under Armour, but the brand will not usurp Nike any time soon.

Under Armour’s Growth and Brand Position

- “Under Armour is doing very well. It’s the top seller in clothing, behind Nike.”
- “The quality of the clothing is much better than Nike. It has stronger stitch lines and wicking.”
- “The women’s section is driving sales for Under Armour. More women buy that than they do Nike.”
- “We haven’t had any issues with supply. We usually have a pretty well stocked section. I would say the Under Armour shoes are a little bit small right now. The ones we do have are mostly for men, but we are expecting to get more shoes in the store in the next few weeks. Right now we are marking a lot of shoes down to clear the shelves for new styles from all the brands.”
- “Women who do crossover sports—running, walking, hiking, yoga—they are buying Under Armour. The clothing is very versatile, and it’s durable.”

Under Armour vs. Its U.S. Competition

- “Under Armour is our best seller, but I don’t think it’s that big of a threat to Nike.”
- “I guess the brands like Adidas and [VF Corp.’s] [Lucy](#) are doing a little slower than Under Armour.”
- “It’s possible that if Under Armour has the key endorsements and comes out with more shoe styles, it could grow there, but right now it’s mostly their apparel that is doing well.”
- “Nike is going to be hard for anyone to knock off the shelves, but Under Armour is our best seller in the store. Men like Nike for certain things, specifically shoes, but women and men both seem to be more loyal to Under Armour now than any other clothing brand in the store. I would expect that to stay the same. Nike is good, but their fabric quality is inferior.”

Under Armour’s Growth Prospects

- N/A

Reporter Observations: Nike for men and women was placed at the front of the clothing section, followed by Under Armour, then Lucy for women, and then a kids’ section. Few customers were present during our visit. The source was marking down athletic shoes, including some styles from Under Armour and Nike. Markdowns for Under Armour fitness wear were sparse, but the store was preparing for a larger sale.

The quality of the clothing is much better than Nike. It has stronger stitch lines and wicking. ... The women’s section is driving sales for Under Armour. More women buy that than they do Nike.

*Dick’s Sporting Goods Sales Associate
Southern California*

Under Armour Inc.

4) Sports Authority sales associate, Southern California

Sales for Under Armour are very strong but not yet outpacing Nike. More women now choose Under Armour over Nike, specifically for sports bras. Higher-quality fabric outweighs the price difference between UA and Nike. Sales for Adidas, Hanesbrands Inc.'s (HBI) [Champion](#) and some yoga wear lines are taking a bit of a hit as UA gains in popularity. This store carries only a few UA shoe styles. Nike dominates the shoe aisles. The store was preparing a reshipment of several Under Armour styles in men and women's sections to make way for new styles, unlike other retailers that use markdowns to move older merchandise.

Under Armour's Growth and Brand Position

- "Under Armour is doing very well. I don't know sales numbers. It may be up about 5% compared to summer. It is not beating Nike, which is No. 1, but it is close."
- "Sales for [UA] women's bras are good. Customers say they last longer in the wash than Nike."
- "Men's Under Armour sales are stronger than for women right now, but I can see that shifting. I've notice more and more women buying the Under Armour running gear and the yoga lounge wear. That will probably keep growing because the quality is so good."
- "Nike is good quality, but it's not the best for holding shape. It doesn't last that long after washing over and over."
- "We don't have very many Under Armour shoes right now, and most of them are marked down. Nike is the biggest seller for shoes for men and women and kids, so it takes up most of the aisles."
- "Right now we are resending a lot of Under Armour styles back. It's like a recall, but not because there's anything wrong with the styles. They just want us to return unsold items to make way for new styles."

Men's Under Armour sales are stronger than for women right now, but I can see that shifting. I've notice more and more women buying the Under Armour running gear and the yoga lounge wear. That will probably keep growing because the quality is so good.

*Sports Authority Sales Associate
Southern California*

Under Armour vs. Its U.S. Competition

- "I don't think Under Armour is going to out sell Nike, but it is popular."
- "Nike has nothing to worry about. But that doesn't mean Under Armour can't keep growing. There is room for both brands."
- "Nike is too well known to be threatened. Everyone around the world knows Nike, but Under Armour tends to be a very American brand. It wouldn't be likely to see Under Armour become more popular than Nike, although I could see us selling more Under Armour than Nike in the future. It's a new brand, which makes it exciting."
- "Champion is not doing well. We hardly sell any of that. We have a small Adidas women's line and for men too, but it's not a fast seller."

Under Armour's Growth Prospects

- N/A

Reporter Observations: Displays/sections for Under Armour men's and women's merchandise were front and center while Nike merchandise was placed further back. We noted some sales on men's UA sweatshirts, some UA shoes and women's accessories, but most discounts were for Nike. All sections were very slow during our visit.

5) Gable Sporting Goods store manager, Georgia

Under Armour sells very well at this location but is late to the athletic shoe game. The source expects UA to take share from Nike in 2015 through new items and technologies, but said its growth will be limited to the single digits because it lacks a game-changing product.

Under Armour's Growth and Brand Position

- "Our sales of Under Armour are strong, but I don't have any idea about the fourth quarter yet."
- "Our core customers are men and women between ages 18 to 35."
- "Where Under Armour ranks is really based upon category. They aren't first in baseball clothing. They are growing in basketball but are not a No. 1 vendor."

Under Armour Inc.

- “They have grown in 2014 due to constantly coming out with new products, technology and producing a quality product.”
- “The most popular Under Armour products are the outdoor and camo lines. We have a large clientele of hunters, so the outdoor sells very well.”
- “We haven’t seen a shortage or surplus of inventory.”
- “Under Armour is still efficient in supply.”
- “They are not a top shoe brand because they entered late in the game for shoes. They are trying to catch up with technology in shoes.”
- “Under Armour hasn’t gained from the poor—that’s for sure—since they are pricey. But in 2014 they gained from women and young men.”

Under Armour vs. Its U.S. Competition

- “Under Armour measures up very well against the competition.”
- “They have taken the most share from Nike.”
- “Under Armour will take market share from Nike in 2015.”
- “Nike is still the elite brand in the market so they are driving sales and growth.”
- “Under Armour is coming out with a lot of new technology, and people are eager to try new products. Also, Under Armour is good at branding themselves, so women are choosing their line.”
- “In general I’d say Under Armour will see [single-digit] growth in 2015. They haven’t really put out anything that is going to put them ahead so they won’t make a huge jump.”
- “Nike is very vulnerable to Under Armour. Customers look for something new to wear. Under Armour continues to bring in new products and technology. People are willing to try their products and are pleased with what they buy.”

Under Armour’s Growth Prospects

- “In 2015 what will drive growth is new products, new technology and better price points on some items.”
- “Their growth is sustainable, and they will see an increase. The media is saying that the stock patterns continue to grow so they will pick up more buyers and shareholders. They will keep producing more products.”

Nike is very vulnerable to Under Armour. Customers look for something new to wear. Under Armour continues to bring in new products and technology. People are willing to try their products and are pleased with what they buy.

*Gable Sporting Goods Store Manager
Georgia*

6) Academy Sports apparel lead, Georgia

Under Armour is this location’s best brand. Performance and technology will continue to boost UA’s growth. Although Nike has the lead in athletic shoes, UA has the lead in clothing. Nike, Adidas and private-label [BCG](#) will lose share to UA.

Under Armour’s Growth and Brand Position

- “Our Under Armour sales are continuing to grow. Their customers are brand-loyal, and it’s an awesome brand.”
- “We have a system here called ‘good, better, best,’ and I rank it as the best brand. The quality is awesome, but they are a little pricey.”
- “The factors responsible for their growth in 2014 are performance and technology. They also cater to every season, which makes it easier for customers to shop and easier for us to sell to them.”
- “The product or line most popular is the men’s active and HeatGear and ColdGear.”
- “We haven’t had a surplus or shortage of inventory.”
- “The supply chain is fine. We still can get what we need.”
- “We have customers come in and buy the shoes. Some love it, and others hate it because the shoes tend to fall apart. We do sell more of their shoes than we used to, but I don’t have an exact figure.”
- “Our core customer for Under Armour is young men ages 20 to 30.”
- “The segment Under Armour has gained the most from in 2014 is, again, men ages 20 to 30.”

Under Armour vs. Its U.S. Competition

- “Under Armour, again using our scale of ‘good, better, best,’ is best over the competition because of the durable material and technology in their clothing.”
- “Brands vulnerable to Under Armour gaining on them in 2015 are Nike, BCG and Adidas.”
- “They will take market share from Nike in 2015.”
- “They have taken the most share away from Nike in 2014. Nike has the [Hyperwarm](#) line, but they don’t have heat, cold, infrared and compression like Under Armour. Nike doesn’t cater as much to the customer.”

Under Armour Inc.

- “Under Armour and Nike are driving sales and growth in the women’s athletic apparel line. Under Armour customers are brand-loyal. However, if customers come in and don’t know what they want and we explain Under Armour’s technology, then they will go with it. It’s really a win-win for both companies.”
- “The competition will have to come out with new technology to slow down Under Armour’s growth among women.”
- “Women are choosing Under Armour clothing for the technology. Also, Under Armour cater to more sizes for women where Nike is for the smaller-sized woman. Under Armour is producing clothing for women who are overweight that want to work out.”
- “I don’t really know that much about the footwear, but if Under Armour does boom in that area, then Nike will suffer.”
- “Nike isn’t really vulnerable to Under Armour in athletic shoes. Nike has had footwear forever, and they have the technology. Nike actually makes a better shoe than Under Armour. Under Armour will have to step up their game if they want to compete with Nike’s athletic shoes. That being said, Nike is vulnerable to Under Armour’s clothing line.”

Women are choosing Under Armour clothing for the technology. Also, Under Armour cater to more sizes for women where Nike is for the smaller-sized woman. Under Armour is producing clothing for women who are overweight that want to work out.

Academy Sports Apparel Lead, Georgia

Under Armour’s Growth Prospects

- “Catering to people with different-sized clothing and their technology will drive the brand in 2015.”
- “Their growth is sustainable into 2015 because of the company growing technology and sizes. They take more of an interest in what customers are looking for, and they are answering it. Customers are eating it up.”

7) City Sports store manager, New York

Under Armour is a best seller, thanks to its quality and durability. The best-selling UA product is the compression gear. Still, Nike has a fashion edge over UA, as it releases shoes and clothing at the same time with matching color schemes. UA ranks just above Adidas in popularity. UA is a brand that is still being established.

Under Armour’s Growth and Brand Position

- “Under Armour is one of our best-selling brands in the store. We especially get a lot of foreign tourists who come in asking about Nike and Under Armour. Sales are still very good. I wouldn’t say they’ve grown or decreased, but they’ve mostly stayed the same.”
- “Under Armour is one of our best brands and competes well against Nike. It’s just above Adidas in terms of popularity.”
- “There are a few things Under Armour has done in the past year. Its [Alter Ego](#) line has helped; it’s a fun new product for customers to wear. Overall, though, its products are just good quality. I’ve had some Under Armour gear for 10 years and it’s still in great shape, and I don’t treat my clothes the best. It’s durable. The HeatGear might be slightly less durable than the ColdGear because it’s thinner, but it lasts a long time.”
- “Compression gear is the most popular Under Armour product here. That’s what the company came out with first, and it’s what it does best. It’s very versatile. You can use it outdoors, in the gym or in training.”
- “We’ve done a pretty good job purchasing everything so there aren’t really any surpluses or shortages that we’ve come up against. There’s more variety in what we’re purchasing now.”
- “The Under Armour shoe brand is still pretty new, so I think the perception of it as a performance shoe brand is still building. We were selling the trainers here, and those sold well. People are still familiar with Nike, and Under Armour needs to sell more variety and specialized shoes to keep up with Nike.”
- “Under Armour’s core customers are people who are training in the gym, doing CrossFit, runners and athletes. The customer segment has mostly stayed the same. It hasn’t gained in any particular demographic.”

Under Armour is one of our best-selling brands in the store. ... Under Armour competes well against Nike. It’s just above Adidas in terms of popularity

City Sports Store Manager, New York

Under Armour vs. Its U.S. Competition

Under Armour Inc.

- “Nike is a big player in women’s athletic apparel. It tends to launch its clothes at the same time as the shoes, which is great from a fashion perspective. You’ll want to match what you have if you can, and that’s appealing to women. Nike has the fashion edge.”
- “Under Armour’s strength is in its durability.”
- “If Under Armour has taken share from any company it might be Adidas.”
- “Under Armour is doing more to introduce variety in its products. ... There are more colors and patterns now, which especially appeal a lot to foreign tourists.”

Under Armour’s Growth Prospects

- “Under Armour’s products are good, and that will continue to appeal to people. There’s a lot of potential for growth in 2015.”
- “In terms of apparel, Brooks’ [Berkshire Hathaway Inc./BRK.A] [Moving Comfort](#) line for women might be gaining on Under Armour’s products.”
- “Under Armour’s growth is sustainable. It’s still a young company, especially compared to an established brand like Nike. But Under Armour is still establishing itself.”

8) Sports Authority store associate in Wisconsin

Under Armour will continue to grow as awareness as the brand spreads this year. Typically, teens purchase UA; adults are turned off by the higher prices and purchase Nike product. UA’s most popular items are the cold weather wear as well as ladies’ leggings. UA shoes have not taken off, but consumers ages 12 to 14 are purchasing the basketball shoes because they like to be in all the same brand from head to toe. Smaller brands like Adidas and Asics are more vulnerable than Nike to UA’s growth.

Under Armour’s Growth and Brand Position

- “Under Armour sales are strong. They performed well in the fourth quarter.”
- “Under Armour ranks right below Nike, which is our No. 1 brand. Below Under Armour are all the other brands like Adidas and Asics.”
- “Factors responsible for Under Armour’s growth are that it is the ‘it’ thing now for the teens. Whatever the teens like, it catches on and they all want to wear it.”
- “In both men’s and women’s Under Armour, the cold weather gear like Storm fleeces are our most popular item. In women’s, the Under Armour leggings also sell well.”
- “We do not have a shortage of any specific Under Armour line. We are short on some of the bigger sizes since we just came through the holidays.”
- “No one asks or talks about Under Armour shoes. I don’t know anything about them.”
- “Under Armour’s core customers are teens ... whose parents purchase their clothes for them.”

Under Armour vs. Its U.S. Competition

- “Under Armour has taken sales from all the brands but mostly from Nike since they are the only ones ahead of Under Armour.”
- “Under Armour has great product. What holds them back is their prices. They are typically always higher than the other brands we carry, including Nike.”
- “I see lots of adults looking at the Under Armour merchandise but then balk when they see the price. For example, an Under Armour top typically costs \$50. You can get the same style top in Nike for \$40.”
- “Women choose Nike product over Under Armour primarily because of cost. Nike also discounts their merchandise fairly often whereas Under Armour rarely discounts.”
- “Teens are primarily the ones who are buying Under Armour shoes. They want their outfits to match their shoes.”
- “Teens aged 12 to 14 are the ones I see buying Under Armour shoes most often. We also have a basketball shoe in both men’s and women’s sizes, but it’s the teen with larger feet who are buying those, not adults.”

Under Armour ranks right below Nike, which is our No. 1 brand. Below Under Armour are all the other brands like Adidas and Asics. ... Teens are primarily the ones who are buying Under Armour shoes. They want their outfits to match their shoes.

*Sports Authority Store Associate
Wisconsin*

Under Armour Inc.

- “We have a few pairs of women’s Under Armour athletic shoes on sale now. They have sold better since they are discounted, but that is how it goes with all the shoes.”
- “Nike is the biggest player on the shoe floor. Under Armour has a long, long way to catch up with them.”

Under Armour’s Growth Prospects

- “Teens will continue to drive growth for Under Armour. The brand being trendy is just getting started and has awhile to go before they are onto the next, best thing.”
- “Adidas is vulnerable to Under Armour more than Nike as they don’t have as many loyal customers.”
- “I don’t think Nike will take market share from Under Armour. Under Armour may take a bit from them as they continue to grow.”
- “Under Armour will continue to grow in 2015. It’s everywhere now. You see their ads. People are wearing it, especially athletes and it keeps spreading. It’s what the teens are into now, and it still catching on.”

Reporter Observations: The store was moderately busy for a Sunday night. Two registers were open, and at least three people were in each line. Customers were teens to older adults. We did not see anyone purchase UA items. Most women were browsing the Nike section. Nike was prominently displayed; a store manager said Nike pays extra to have the front positioning and more signage. UA merchandise was directly behind Nike, followed then by Adidas, Asics and North Face.

9) Modell’s store manager, New York

Under Armour sales have plateaued. In terms of popularity, the brand comes in third behind Nike and Adidas. The brand is best known for its compression line and for quality clothing. It is not popular among women at this location. Still, the source said Under Armour could grow as a brand in 2015.

Under Armour’s Growth and Brand Position

- “Under Armour as a brand isn’t growing. Sales have plateaued.”
- “In terms of ranking among athletic brands, it would be Nike first, then Adidas, then Under Armour.”
- “It’s the quality of Under Armour’s clothes that have really helped it as a brand. They’re mostly known for the compression clothes.”
- “The compression clothes are the most popular at this store. You get football players and a lot of athletic males coming in to purchase those. The compression clothes sells the most, but all the Under Armour products mostly sell at the same rate. We stock a lot of the same Under Armour products that we did last year, and haven’t introduced new ones.”
- “We carry just four types of Under Armour shoes. They’re not very popular.”
- “Under Armour’s core customer segment is mostly males in their 20s and 30s. It appeals to a lot of people going to the gym and football players. It doesn’t really appeal to women.”
- “Under Armour hasn’t necessarily gained in a customer segment in 2014. It’s kept its main customer base of older people and is now appealing to a lot of young males in high school who play football.”

Under Armour vs. Its U.S. Competition

- “The big difference in Under Armour products is durability. That’s what people know the company for, and that’s what makes the difference between it and its competitors.”
- “Under Armour isn’t taking share from any company. For example, I don’t have people coming in asking about one thing and being directed to Under Armour products.”
- “We don’t stock any Under Armour women’s apparel here because it’s just not popular. It might just be the location. There are other locations where it’s popular, but at this store women prefer Nike.”
- “Women prefer Nike because Nike has better fashion and variety. Nike offers more colors in its products, and it’s more stylish.”
- “Nike is definitely not vulnerable to the Under Armour brand at all.”

Under Armour’s Growth Prospects

- “There’s a possibility that Under Armour will continue to grow as a brand in 2015. I haven’t seen much growth in the year I’ve been working at this store location, but I think we might.”

The big difference in Under Armour products is durability. That’s what people know the company for, and that’s what makes the difference between it and its competitors.

Modell’s Store Manager, New York

Under Armour Inc.

Reporter Observations: We noted several Under Armour products on sale, including socks and clothes for 25% off. Some tops were on sale for \$20 each.

5) Industry Specialists

All nine sources expect Under Armour's growth to be led by its women's line, its international expansion and its innovative, quality products. Although UA lags behind in the footwear market, it is in the process of taking the No. 2 sports apparel spot behind Nike in North America. While Adidas and Nike battle for position in Europe, UA has the potential to grow there as well as in Asia and Latin America.

Key Silo Findings

Under Armour's Growth and Brand Position

- All 9 sources have seen growth for UA, which is falling into position behind Nike in terms of athletic apparel.
- 7 of 9 attribute growth to the brand's heightened popularity among women.

Under Armour vs. Its U.S. Competition

- Apparel growth has occurred to the detriment to Nike, Adidas and Reebok.
- UA product quality is on par with competitors.
- UA still lags greatly in the footwear market.

Under Armour Outside of North America

- All 9 see significant growth potential for UA outside of North America.
- Adidas holds more market share than UA globally, but UA can challenge it.
- Growth potential lies in Europe, Asia and Latin America.

1) Principal and COO of sourcing and supply chain for a consulting group; repeat source

Under Armour will continue to grow as it matures, operates more efficiently, focuses its marketing strategy, and appeals to women. The company needs to move from team sports to individual sports, such as running, and continue to emphasize women's athletics. Under Armour has grown rapidly, taking share away from Nike, Adidas and Reebok, but it should take care not to "water down its brand perception." International opportunities will be found in Japan, China, and Central and South America; Europe remains enmeshed in the soccer war between Nike and Adidas.

Under Armour's Growth and Brand Position

- "Under Armour has had tremendous momentum now for several years, and it is not cooling off."
- "There are a number of reasons why Under Armour will continue to grow in the future: 1) The organization is maturing in the apparel and footwear side and is operating more efficiently. 2) The company's marketing is more focused. 3) A certain element of consumer is looking for an alternative to Nike."
- "Under Armour shoes have grown in terms of the team-sport side. There is a question now if they can move over to individual sports, such as running, which has lots of volume compared to team sports such as football and volleyball."
- "Under Armour needs to be careful not to grow too quickly and water down their brand perception. They need to protect the perception of performance."
- "Men and boys are Under Armour's dominant customers. The performance athlete who participates in team sports—this is easily boys in their teens to mid- to late 30s, primarily 18-year-olds. There is a huge growth opportunity in young boys, the younger male."
- "Under Armour started in the teen category. There is a question now if they can broaden their appeal to the individual athlete and grow."

I've seen more women interested in sportswear, and the potential is there. Under Armour is starting off well by targeting women. They are more effective than Nike was.

Principal & COO, Sourcing & Supply Chain Consulting group

Under Armour Inc.

- “I’ve seen more women interested in sportswear, and the potential is there. Under Armour is starting off well by targeting women. They are more effective than Nike was.”
- “Under Armour is doing well so far, appealing to women, but they have a long way to go. Using a ballerina shows how much they are thinking about the women’s category. It has caught attention.”
- “I don’t believe there are any problems with suppliers. Some footwear suppliers have good relationships with Under Armour. Yue Yuen in China is one.”

Under Armour vs. Its U.S. Competition

- “In the United States, Under Armour has gained market share to the detriment of Nike, Adidas and Reebok. Internationally, I’m not sure.”
- “In terms of performance, style and durability, Under Armour is right up there with all three attributes. As far as apparel, Under Armour is right up there with Nike. They have moved rapidly up. I’d say Nike is No. 1; Under Armour, No. 2; and Adidas, No. 3. In footwear, Under Armour has made progress. Nike is No. 1; Adidas, No. 2; and Under Armour, No. 3.”
- “Under Armour is a high-performance brand, not like Skechers, which is lifestyle. Under Armour will have an influence on lifestyle and fashion brands. They will eventually be accepted as fashion around the streets. More people are wearing activewear in general.”

Under Armour Outside of North America

- “Under Armour does have some growth outside of the United States, and their chances are better in Japan and China than in Europe. In Europe, there is an underground soccer war going on between Nike and Adidas, who are fighting it out. Soccer is Europe’s primary sport.”
- “Under Armour should concentrate on Japan first, then China, and then Central and South America: Brazil, Argentina and Mexico.”

I’d say Nike is No. 1; Under Armour, No. 2; and Adidas, No. 3. In footwear, Under Armour has made progress. Nike is No. 1; Adidas, No. 2; and Under Armour, No. 3.

Principal & COO, Sourcing & Supply Chain Consulting group

2) Vice president of operations and league development for a sports association

Under Armour will continue to grow because it has strong advertising and is very recognizable, its shirts are well made, and more people now use activewear as a casual look. UA needs to expand into all sports inside and outside of the United States; target most players, not just a core customer; and use celebrity endorsements. It is known more for apparel, while Nike is known for shoes and cleats. Nike is too big to feel pressure from UA.

Under Armour’s Growth and Brand Position

- “Under Armour is going to grow. I don’t see why they wouldn’t. They have advertisements everywhere. They are very recognizable; everyone knows the [icon].”
- “You see more and more of the pros with Under Armour, and I’m seeing more and more people with Under Armour shoes too. I’m not sure why they buy them; they seem cheap.”
- “You see performance wear more and more on the streets now. It’s becoming business casual or a sports business look.”

Under Armour vs. Its U.S. Competition

- “Nike is too big to run scared from anyone.”
- “People like to have an option. They don’t want to just buy Nike.”
- “Adidas is known for soccer and tennis, but you don’t hear a lot about them now. But Nike, that is the whole enchilada. If Under Armour wants to grow, they need to address all the sports.”
- “This is a big market, and there is enough room for everyone.”

Under Armour Outside of North America

- “It would be good for Under Armour to focus outside of the United States, to grow. But they can’t lose their focus on the minor sports in the United States. We probably have more minor sports than any other country.”

You see more and more of the pros with Under Armour, and I’m seeing more and more people with Under Armour shoes too. I’m not sure why they buy them; they seem cheap.

VP of Operations & League Development for a Sports Association

3) Senior outdoor product designer

Under Armour will grow less aggressively in 2015 and will do so through new markets and footwear expansion. The company has taken share away from Nike and Lululemon, and is now one of the top three sportswear companies sportswear. In 2014, UA conducted an aggressive women's campaign and athletic signings, which may help it internationally but not for a few years. In addition to attracting women, UA's core customers are college athletes who are growing up with the brand.

Under Armour's Growth and Brand Position

- "Under Armour will continue to grow in 2015, just less aggressively, mostly due to new market expansion. I would expect some growth due to footwear."
- "[UA's growth can be attributed to its] aggressive women's marketing campaign, taking market share from Nike, and good foresight on their athlete signings, which may help them internationally."
- "Under Armour's core customers are college athletes who are growing up with the brand. They gained in the women's segment. More women are using their products, so they are doing well [in this segment]."
- "I would expect that Under Armour has accounted for their supply chain. I have no information to comment."

[UA's growth can be attributed to its] aggressive women's marketing campaign, taking market share from Nike, and good foresight on their athlete signings, which may help them internationally.

Senior Outdoor Product Designer

Under Armour vs. Its U.S. Competition

- "Under Armour ranks within the top five of athletic brands, possibly the top three, along with Nike and Adidas."
- "Under Armour has taken market share from Nike. This is unlikely to have made much international impact at this stage, but possibly within the next two years."
- "[The Under Armour] presence is being felt by brands like Lululemon because more women are using their products."
- "Under Armour products are of lower quality [than the competition], but that is expected at those price points."

Under Armour Outside of North America

- "Their growth outside of the United States will be slower as they are not really recognized that well as an international brand; their focus has been on the domestic market. I would expect gains for them in areas such as soccer and tennis in Europe."

4) Kate and Shawn Boyer, CEO And creative designer at [Anatomie](#) in Florida

Under Armour has built a following, which will continue to expand. Still, it must move away from football and take risks in women's activewear. Under Armour competes directly with Nike in the United States; both companies will continue to grow, and Nike may consider buying Under Armour in order to add a "cool" brand to its mix. U.S. activewear clothing is very popular in Europe and Asia, and technology makes it faster and easier to sell products globally.

Under Armour's Growth and Brand Position

- "Under Armour has been doing very well. Their brand is cool, and they are important to the market. They have built a following and are valuable and will continue to grow."
- "The Under Armour people are good people. They work hard, and I hope they continue to do well. A lot of growth depends on a company's founders and owners. You have to have desire and be committed to a brand, and Under Armour is doing just that."
- "Under Armour is authentic, and they resonate with the end users. It is the go-to brand for real athletes, developed by athletes. They have a relationship with the end user. Their DNA is performance wear, with all the technical attributes."
- "To grow, Under Armour will need to get away from the football brand recognition."
- "Under Armour has a diverse customer base, and then they got into children's wear. We see a lot of different folks wearing Under Armour, all

Under Armour is a smart company. If they decided to target women, then they decided it was a lucrative market.

*CEO & Creative Designer
Anatomie, Florida*

Under Armour Inc.

nationalities and from different economics.”

- “Targeting ballet is a good idea. The Under Armour products look sexier, more friendly. We never know if an ad campaign will work, but we need to try.”
- “Under Armour is a smart company. If they decided to target women, then they decided it was a lucrative market.”
- “In general, companies sell 25% of their clothing to men and 75% to women. Women are thought to buy more, but until now no one really specialized in women’s activewear. Moving towards women’s wear might be the right move. There may be a lot of potential for Under Armour, and they may gain more market share.”
- “Suppliers are not an issue. The more quantities you buy ... the easier it is to get supplies.”
- “Under Armour makes items that are easy to cut and sew. They are so easy to make. The company is stuck and can’t charge more. They are known for certain price points.”

Under Armour vs. Its U.S. Competition

- “Under Armour competes with Nike, Reebok and Adidas. They are performance brands, not fashion brands, which limits their price point.”
- “In the United States, Under Armour is like Nike. There is no stopping them, but there is no stopping Nike either.”
- “Under Armour will take some market share away from Nike. Nike is the monster that everyone is chasing, but Nike is not afraid of anyone. That company is on fire; they are No. 1. Nike is not concerned about Under Armour.”

Under Armour Outside of North America

- “Under Armour will start penetrating overseas. In Europe, American brands are very popular. They are cool; they have mass-market appeal. European men stand in line just to buy an American-brand T-shirt.”
- “Overall, Americans are more active than Europeans, so their brands signify active. You won’t see a gym in a Parisian hotel, for instance.”
- “The United States is the leading country for athleticism. Active people [in other countries] will look for U.S.-type clothing.”
- “Everything is faster these days due to technology. It is easier to sell internationally. Asia is a huge marketplace for new designer apparel, and I imagine sportswear as well.”

5) Sports marketing executive

Under Armour’s growth will not stop because it makes durable and effective products designed for the athlete, and it continues to operate with fresh energy. The female celebrity marketing campaign appears to be successful, and the company is working on [wearable technology](#). UA is positioned behind Nike in the United States, but within 10 years will match Nike in terms of global sales. Joining the Olympic space will give it more international visibility.

Under Armour’s Growth and Brand Position

- “Under Armour’s growth will continue. I don’t see that growth stopping. They make durable and effective products that are beneficial to the athlete. They make great core products designed with the athlete in mind.”
- “Under Armour continues to operate as fresh as when they were a young company, as if they just opened their door yesterday. You can feel their energy. They are still the little kid on the block, and they want to be No. 1. They are driven, and they are doing everything they can to make it there.”
- “Under Armour is mostly known for apparel, but their shoes are gaining ground. They will be under evaluation. There are lots of good shoes in the world, but there is always room for growth.”
- “Primarily they have focused on men’s wear; they were more into football. But now they are expanding into women’s wear.”
- “Their women’s initiative has been big this year. The ‘I Will What I Want’ campaign, marketing with celebrities as a cross section to appeal to all women, has been successful.”
- “A good move was when they acquired [MapMyFitness](#), and they have just launched a new wearable technology. I hear you can buy Under Armour with a shop button. There is tons of growth in the wearable category.”
- “I haven’t seen any problems with suppliers or distributors.”

Under Armour vs. Its U.S. Competition

- “In the United States, Under Armour is No. 2 in terms of volume and sales.

In global brands, Nike is No. 1, Adidas No. 2; then the brands drop off. I think in the next 10 years Under Armour will approach Nike in terms of global sales. By 2020 there will be some cannibalization with the smaller brands.

Sports Marketing Executive

Under Armour Inc.

Nike is No. 1, and they do take some share from Nike.”

- “Under Armour is competing with Nike on numerous levels, clothing, shoes, technology and the Olympics.”
- “Nike and Adidas have casual apparel lines, while Under Armour has performance lines, not casual.”

Under Armour Outside of North America

- “Globally Under Armour has a lot of work to do, and they’d tell you that too. They just scratched the international surface this past year. They are gaining more visibility in Europe with soccer.”
- “In global brands, Nike is No. 1, Adidas No. 2; then the brands drop off. I think in the next 10 years Under Armour will approach Nike in terms of global sales. By 2020 there will be some cannibalization with the smaller brands.”
- “Under Armour is looking into the Olympic space. This would be a great move because their icon would be visible to all the world. Under Armour represents a fresh new look, which matches the freshness of the athlete. This will help to make an international expansion.”

6) Research analyst with a market consulting firm

Under Armour makes excellent products and does an equally good job of promoting them. The company will continue to grow in 2015 but not at Nike’s expense. Vulnerable companies include Adidas and Lululemon as UA increases its focus on the female athlete. Strong international growth also is likely.

Under Armour’s Growth and Brand Position

- “Under Armour created the market for performance athletic wear, and their advertising is excellent in supporting that.”
- “They’re one of the leading brands in sports apparel, probably the top brand.”
- “When you look at the diversity of their clothing lines, the number of different colors and styles in stores—and it changes several times a year—I don’t believe they have any supply problem.”
- “Under Armour is not yet a top brand in athletic shoes. Whether their shoes are better than other brands is something consumers will ultimately decide. I think Under Armour just needs to promote their athletic shoes as well as they do with their other products. It looks like that’s what they’re trying to do, build that awareness.”
- “The male athlete has been Under Armour’s core customer from the beginning. The fact that they are marketing more towards women now shows they see a lot of opportunity to expand their reach. I think it’s fair to say women are generally going to buy more clothing than men, and there’s no reason to believe that wouldn’t carry over to female athletes as well.”

Under Armour vs. Its U.S. Competition

- “Under Armour has an excellent reputation for performance clothing at different price points. It’s the brand of choice for serious athletes.”
- “Under Armour probably took a little bit from Nike’s clothing sales last year, but I’m sure they also grabbed some market share from others like Adidas. If I were an executive at Lululemon, I’d be doing everything I could to introduce new styles for women because Under Armour is going after that market.”
- “I think more women are turning to Under Armour because the company is making a direct appeal to them with advertising. Once you get people in the store, they can see that Under Armour’s clothes are attractive and fairly reasonably priced.”
- “I don’t think Nike is vulnerable on shoe sales. It’s more on branded clothing where they stand to lose.”
- “Under Armour will keep growing. They’re making the right plays, expanding their lines for women and kids.”
- “I don’t see Nike and Under Armour threatening each other so much as other companies like Adidas, Reebok and Lululemon on the clothing side.”

Under Armour Outside of North America

- “Under Armour absolutely has growth potential outside the states. Brand awareness and desirability may be more intense in European and Asian countries and Russia than in the United States.”

Under Armour probably took a little bit from Nike’s clothing sales last year, but I’m sure they also grabbed some market share from others like Adidas. If I were an executive at Lululemon, I’d be doing everything I could to introduce new styles for women because Under Armour is going after that market.

Research Analyst
Market Consulting Firm

Under Armour Inc.

- “The UK, Asia and Latin America are probably the best growth areas in terms of the demand.”
- “I wouldn’t be surprised to see the ratio of male to female customers start to even out and maybe even tip toward women in a couple of years.”
- “Nike has nothing major to worry about. Under Armour can run off with a piece of the pie from other companies, but right now Nike is not one of them.”

7) Analyst for sports and leisure trends with a market consulting group

Under Armour’s marketing to women and children helped the company grow sales last year. Although UA is selling more athletic shoes than a year ago, it is not taking significant share from Nike. More likely Adidas and Lululemon have lost share to UA. Still, the company lags behind Nike and Adidas in international brand awareness. That will only be overcome by expensive marketing, endorsement deals and sponsorships. The European, Asian and Latin American markets represent the best areas for international growth.

Under Armour’s Growth and Brand Position

- “Under Armour really took off last year. They came out with more apparel for women and children, and people started noticing their sports shoes.”
- “They’re one of the major athletic brands now. They basically created the market for performance wear.”
- “There are no problems with the supply chain that I’m aware of. That can sometimes crop up when a company makes a major expansion, perhaps too quickly or moves into markets in other countries. For Under Armour, that doesn’t seem to be any problem.”
- “Under Armour is selling more athletic shoes than a year ago, so between their advertising and word-of-mouth, that would indicate their shoes are gaining respect in the target market.”
- “I doubt if Nike is sweating about Under Armour, but it’s probably a concern for some of the lower-tier brands. Everybody wants to catch Nike, but taking market share from other companies like Adidas or New Balance is more likely.”
- “Male athletes, men who go to the gym and work out regularly—they have always been Under Armour’s core customer. But it’s starting to change a little bit as Under Armour makes their appeal to women and kids. Sales outside their traditional demographic are growing.”

Under Armour vs. Its U.S. Competition

- “Under Armour apparel is as well made as anything in a sporting goods store. They have a good reputation for quality manufacturing. I haven’t done an actual count, but the range of styles and colors they offer appears to be greater than most of the logo-branded competition.”
- “Advertising is driving Under Armour’s sales in women’s apparel. It’s getting more women in the stores, and they like what they see.”
- “Under Armour has taken some market share here and there from different companies. Probably a little bit from Nike on sports clothing for men. Lululemon struggled all last year, so Under Armour probably gained off them in women’s clothing sales.”
- “I think women are looking more at Under Armour because the company has changed their marketing to appeal more to women, whereas previously the focus was on football and intense training for men. Adding more colors and styles just sweetens the value proposition.”
- “Under Armour will keep growing their clothing line at the expense of other companies, including Nike, Adidas, Lululemon and some of the lesser brands.”
- “Nike is not vulnerable to Under Armour. If Nike loses a T-shirt sale, they’ll just sell more shoes.”

Under Armour Outside of North America

Under Armour really took off last year. They came out with more apparel for women and children, and people started noticing their sports shoes.

*Analyst, Sports & Leisure Trends
Market Consulting Group*

Under Armour is behind Nike and Adidas in brand awareness outside the United States. They’re just moving forward with international expansion, and that may take a few years. Sponsorships, endorsements and advertising aren’t cheap, but they’re crucial to getting a brand in front of the audience. That’s what Under Armour will have to do.

*Analyst, Sports & Leisure Trends
Market Consulting Group*

Under Armour Inc.

- “Europe and Asia are huge markets. There is massive demand for branded sports clothing in those markets. Under Armour can do very well in foreign markets.”
- “Europe, especially the UK, Asia and Latin America would be prime targets for growth. Between them, there is just a massive enthusiasm for soccer, baseball and golf. There’s demand for specialized athletic shoes for each sport and branded apparel to go with them.”
- “Under Armour is behind Nike and Adidas in brand awareness outside the United States. They’re just moving forward with international expansion, and that may take a few years. Sponsorships, endorsements and advertising aren’t cheap, but they’re crucial to getting a brand in front of the audience. That’s what Under Armour will have to do.”

8) Head of retail and product analysis for a UK-based market consultancy

UA’s fastest growth segment is in the women’s line of athletic apparel, followed by shoes. Although the company is known for quality merchandise, changing entrenched consumer habits and allegiance to a certain brand requires intensive marketing and team sponsorships. UA has the money to do that and will peel away share from smaller or struggling brands before representing a threat to Nike or Adidas. The United Kingdom, China and Japan are prime growth markets.

Under Armour’s Growth and Brand Position

- “Under Armour really started to grow their customer base last year. More athletic clothing for women was a big part of it, but also children’s clothes.”
- “Under Armour has a great brand. It’s instantly recognizable, and people connect it with quality sports apparel.”
- “There’s no evidence to suggest their supply chain is less efficient. If anything, it’s getting more efficient as the company introduces more and more products.”
- “Nike and Adidas are the premier athletic-shoe brands in the UK. In the U.S., it’s Nike at the top. Under Armour will really have to elevate and sustain their marketing to challenge Adidas or Nike on athletic shoes.”
- “Under Armour clothing has been popular with guys for years. The company is moving quickly to broaden their appeal to women and children.”
- “The biggest sales growth has been workout clothes for women and athletic shoes generally. At the same time, the men’s line continues to sell very well.”

Under Armour vs. Its U.S. Competition

- “Under Armour makes great clothes; I don’t think there’s any doubt. Athletic clothing tends to have very strong brand loyalty.”
- “The only way another brand can respond to Under Armour’s appeal to women is to come out with new designs and market them. A lot of the smaller brands aren’t as nimble as Under Armour or Nike. They can’t respond as quickly to shifts in taste and that’s a problem for them.”
- “Nike would have to make some really bad moves to lose their dominant share of the athletic-shoe market. They’re not vulnerable to Under Armour. What you might call fading brands or companies that cannot keep up with new styles—they will be the ones who lose.”

Under Armour Outside of North America

- “In the UK, I think Under Armour is perceived to be as good as Adidas or Nike for performance and style. However, choosing a brand is also linked to status and popularity. This gets reinforced by athletes who promote the brand in commercials and on the playing field. People start to identify with the image of a specific brand. When it’s successful, buying habits can become entrenched. It becomes a habit.”
- “In the UK there are close to 100 brands of athletic wear, from shoes to shirts. Nike and Adidas are at the top of the list. I say this because I don’t think Under Armour’s growth has really taken away from Nike and Adidas. Shoppers are moving to Under Armour from some of the smaller names.”
- “Under Armour can grow in Europe. They’ve got the money to sponsor teams and get out in front of their customers. China and Japan are also huge markets. Almost anything with an American brand on it is in big demand.”

9) Clothing buyer for a U.S. sporting goods retail chain

UA’s expanded product line for women, coupled with compelling advertising, helped the company grow sales in 2014. UA is not a threat to Nike’s shoe business, but its multiple price points will help it draw customers at different economic

Under Armour Inc.

levels. Growth outside of the United States will take time as UA works to raise its brand awareness in other countries. Meanwhile, Nike and Adidas will be doing everything they can to maintain and grow market share. Europe and Asia are prime growth markets for athletic apparel.

Under Armour's Growth and Brand Position

- "Under Armour has a wider product line now than they had a year ago. It's backed up with a lot of different advertising campaigns that appeal to women. Male athletes and sports enthusiasts are not their only customer anymore."
- "I haven't had any problems getting UA clothes for our stores."
- "We haven't started carrying their shoes."
- "Under Armour's core customer used to be men, but they're marketing more to women now."
- "Clothes for women are selling very well. It's not at the same level as men, but it's growing."

Under Armour vs. Its U.S. Competition

- "The clothes are very stylish, and they wear well. UA is not the most expensive brand, but they're not the cheapest either."
- "I couldn't point to any single company losing market share to UA. It's probably several companies, smaller brands."
- "Under Armour is on people's radar. It's the advertising. People are aware of UA before they go shopping so they're going to look at the clothes when they get to the store."
- "More and more women are getting into sports. There are more women fans. They see women competing on ESPN, and it's inspiring. When you see fans at games, there's almost as many women wearing jerseys as men. Companies that sell sports clothes are going to respond to that. UA has moved very fast to bring out new sports clothes for women."
- "Under Armour clothes are cute. They're just as good as Nike. Sports shoes are a different matter. Nike is synonymous with athletic shoes. They advertise constantly. They introduce one or two new shoes styles practically every week."
- "If Under Armour shoes are as good as their clothes, they will sell well. We don't stock them yet, but I've seen their shoes in other stores. The thing that struck me is Under Armour shoes are about 20% to 30% less than a comparable pair of Nikes."
- "Under Armour will keep growing this year if our sales are any indication. They're got a great mix of advertising and a lot of different price points to appeal to different customers."

Under Armour Outside of North America

- "Under Armour should be able to grow anywhere they can reach customers with their advertising. It will take some time to get that brand awareness out there. At the same time, you've got companies like Nike and Adidas doing everything they can to win."
- "If Under Armour gains market share in other countries, it will probably come from smaller companies long before they could take on Nike."
- "Their focus would be wherever demand is the greatest. For sports clothes and shoes, I'd say Europe and Asia would be the places to start."

6) SurveyMonkey Poll

In a SurveyMonkey poll of 209 physically active U.S. consumers, Blueshift Research found that Nike and Under Armour were respondents' top two sports apparel brands because of their quality and fashionable styles. Nike has a slight edge over Under Armour based on price. Champion and Skechers offer some of the best prices. Nike, Skechers and New Balance have the most sought-out shoes for price and quality, while Nike and Skechers were the most stylish shoe brands. Under Armour was consistently in the back of the pack for shoes and was more likely to attract male shoe buyers. Respondents have noticed advertisements from Nike, Skechers and Under Armour, and said Skechers, Nike and Lululemon have been targeting women in their ads. Half of our respondents (mostly men) buy Under Armour products for the quality.

Sports Apparel Brands

Champion is the most reasonably priced sports apparel brand, followed by Nike and Skechers.

Under Armour Inc.

- Champion (25.1%), Nike (18.8%) and Skechers (12.6%) are the most reasonably priced sports apparel brands. (Q2)
 - Men were more likely to believe Under Armour, Columbia Sportswear and Reebok are reasonably priced, while women believe Skechers apparel is more reasonably priced. (Q2, Gender filtered)
 - Respondents ages 30 to 44 find Nike to be the most reasonably priced brand. (Q2, Age filtered)

Nike and Under Armour are the top two sports apparel brands in terms of quality. Men and those ages 45 to 60 believe Under Armour is more durable than Nike.

- Nike (31.9%) and Under Armour (22.7%) offer the highest quality and durability in sports apparel. (Q3)
 - Men were more likely than women to believe UA offers higher quality and durability. (Q3, Gender filtered)
 - Respondents ages 45 to 60 believe UA has the highest-quality sports apparel, while all other age groups believe Nike does. (Q3, Age filtered)

Male respondents said Nike and Under Armour are the most fashionable brands, while younger respondents mentioned Nike.

- Nike (31.4%), UA (15.5%) and Lululemon (9.2%) have the most fashionable and stylish sports apparel brands. (Q4)
 - Men outnumbered women in considering Nike and UA as fashionable brands. Women were more likely to believe Lululemon and Skechers are more fashionable. (Q4, Gender filtered)
 - Nike's fashion appealed more to younger respondents, while Skechers appealed more to older respondents. (Q4, Age filtered)

Respondents, particularly women, plan to buy sports apparel from Nike, Under Armour and Adidas this year. Younger respondents were the most likely to expect to buy all three brands. Men specified Under Armour, while women expect to opt for Adidas.

- Nike (51.7%), UA (38.6%) and Adidas (26.1%) are the top three brands that respondents plan to buy in 2015. (Q5)
 - Men plan to buy 2.6 different sports apparel brands in 2015, while women plan to buy 3.3 different sports apparel brands. (Q5, Gender filtered)
 - Men more than women plan to buy apparel from UA, while women plan to buy more apparel from Adidas, Skechers and North Face. (Q5, Gender filtered)
 - Younger respondents plan to shop more for Nike, UA, Adidas, Asics and North Face, while those ages 45 to 60 plan to shop more for Reebok. (Q5, Age filtered)
 - Those ages 45 to 60 and 18 to 29 prefer Skechers more than the other age groups. (Q5, Age filtered)

Nike, Under Armour and Champion will garner most of respondents' sports apparel dollars this year. Under Armour will be the top brand among men, while Nike will place first among respondents ages 30 to 44.

- Respondents will get most of their sports apparel from Nike (24.6%), UA (14.5%) and Champion (9.2%) in 2015. (Q6)
 - Roughly twice the number of men compared with women plan to buy mostly from UA this year. (Q6, Gender filtered)
 - Nike is the standout sports apparel brand among those ages 30 to 44. (Q6, Age filtered)

Athletic Shoe Brands

Skechers, Nike, New Balance and Adidas have the most reasonably priced shoes. Skechers prices appeal more to women and those under 60 years of age, while Nike prices appeal to women but also respondents under 44 and over 61 years old. Price-wise, New Balance appeals to men and those ages 30 to 60, while Adidas was favored by men and those below 29 and above 61 years old.

- Skechers (18.9%), Nike (18%), New Balance (16%) and Adidas (12.1%) have the most reasonably priced shoes. (Q7)
 - Men more than women believe Under Armour, New Balance and Adidas shoes are reasonably priced, while women believe Nike, Skechers, and Reebok shoes are more reasonably priced. (Q7, Gender filtered)
 - Respondents ages 18 to 29 believe Adidas (29.6%), Skechers (14.8%) and Nike (14.8%) have the most reasonably priced shoes. (Q7, Age filtered)
 - Respondents ages 30 to 44 believe Nike (30.5%), Skechers (23.7%) and New Balance (13.6%) have the most reasonably priced shoes. (Q7, Age filtered)
 - Those ages 45 to 60 believe Skechers (19.1%), New Balance (19.1%) and Reebok (15.2%) have the most reasonably priced shoes. (Q7, Age filtered)

Under Armour Inc.

- Those 61 and older believe Nike (20%), Adidas (20%) and Asics (13.3%) have the most reasonably priced shoes. (Q7, Age filtered)

Nike, New Balance and Skechers have the highest-quality shoes. Women prefer Nike's quality, while older respondents like Skechers'.

- Nike (40.3%), New Balance (12.6%) and Skechers (10.7%) have the highest-quality and most durable shoes. (Q8)
 - Men believe Under Armour has a higher quality of shoe, while women believe Nike and Asics shoes are the highest quality. (Q8, Gender filtered)
 - Older demographics were more likely to think New Balance has a more durable shoe. (Q8, Age filtered)

Nike and Skechers offer the most fashionable shoes. Nike appeals more to women and younger demographics, while Skechers' styles also were favored by women as well as older respondents.

- Nike (40.3%) and Skechers (19.9%) have the most fashionable and stylish shoes. (Q9)
 - Men find UA, Adidas, Reebok and New Balance shoes more fashionable, while women prefer Nike and Skechers shoe styles. (Q9, Gender filtered)
 - Younger respondents find Nike and Adidas more fashionable, while older respondents said Skechers shoes are more fashionable. (Q9, Age income)

Nike, Skechers, New Balance, Reebok and Adidas will be respondents' top five athletic shoe brands in 2015. Nike in particular appeals to women and younger respondents, Skechers shoes are favored by women and those 18 to 29 or 45 to 60, New Balance appeals to men and older respondents, Reebok shoes are preferred by men, while Adidas is popular among younger consumers.

- Nike (47.1%), Skechers (29.6%), New Balance (23.3%), Reebok (18.4%) and Adidas (18.4%) will be this year's top five athletic shoe brands. (Q10)
 - Men plan to buy shoes from UA, Reebok, Asics and New Balance, while women plan to buy shoes more from Nike and Skechers. (Q10, Gender filtered)
 - Younger respondents plan to buy shoes from Nike and Adidas, while older respondents plan to buy shoes from New Balance. (Q10, Age filtered)
 - Respondents ages 18 to 29 and 45 to 60 are most likely to buy Skechers. (Q10, Age filtered)

Respondents will spend most of their athletic shoe dollars on Nike, Skechers and New Balance this year. Nike appeals most to those younger than 60, Skechers shoes are favored by women and older respondents, while New Balance appeals to those older than 45.

- Nike (29.1%), Skechers (15%) and New Balance (12.6%) will be respondents' top three shoe brands this year. (Q11)
 - Men plan to buy most of their shoes from UA, Reebok and New Balance, while women plan to buy most of their shoes from Skechers. (Q11, Gender filtered)
 - Respondents ages 18 to 29 plan to buy most of their shoes from Nike (33.3%), Adidas (18.5%) and Skechers (14.8%). (Q11, Age filtered)
 - Respondents ages 30 to 44 plan to buy most of their shoes from Nike (42.4%), Skechers (15.3%) and Asics (8.5%). (Q11, Age filtered)
 - Those ages 45 to 60 plan to buy most of their shoes from Nike (22.9%), New Balance (19.1%) and Skechers (14.3%). (Q11, Age filtered)
 - Those 61 and older plan to buy most of their shoes from Skechers (20%), Nike (13.3%) and New Balance (13.3%). (Q11, Age filtered)

Advertising

Respondents have mostly noticed advertisements from Nike, Skechers and Under Armour. In particular, they said Skechers, Nike and Lululemon ads appear to target women.

- Ads from Nike (61.2%), Skechers (12.6%) and UA (10.2%) have been the most commonly viewed. (Q12)
 - Men reported seeing advertisements from UA, while women were more likely than men to have noticed Skechers ads. (Q12, Gender filtered)
- Skechers (26.2%), Nike (24.8%) and Lululemon (15%) appears to have the most ads targeting women. (Q13)

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- Male respondents reported noticing UA, Reebok and Asics ads that target women, while female respondents reported seeing more ads directed at them from Nike and Skechers. (Q13, Gender filtered)

Under Armour vs. Nike

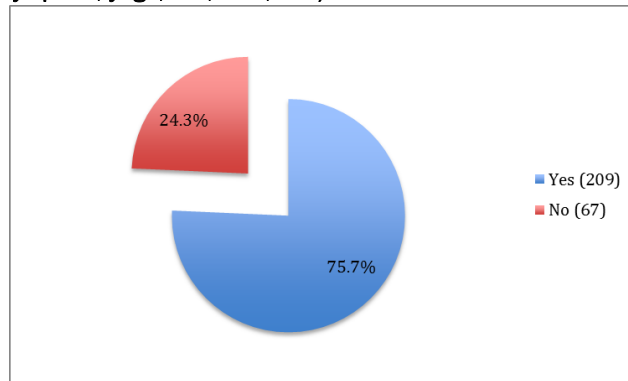
Nike is more reasonably priced for its quality than Under Armour. Female respondents were significantly more likely to prefer Nike's pricing and quality, while men slightly more often preferred Under Armour to Nike.

- Nike (59.7%) has more reasonably priced sports products for its quality than UA (40.3%). (Q14)
 - Men believe UA has the slight edge over Nike in terms of price and quality (51% to 49%). (Q14, Gender filtered)
 - Women believe Nike greatly surpasses UA in terms of pricing for the quality (63% to 37%). (Q14, Gender filtered)

One-half of respondents buy Under Armour products; most of these are men who based their preference on quality.

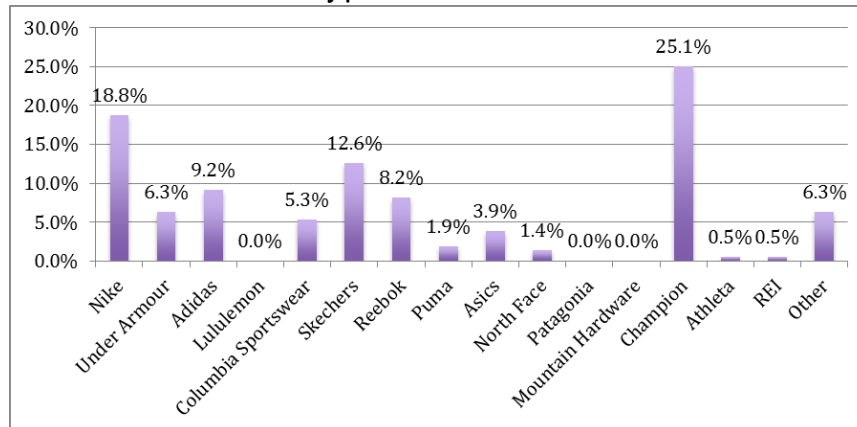
- 51%, or 105, of our respondents buy Under Armour products. (Q15)
 - 61.2% of men buy UA products, while 48% of women buy UA products. (Q15, Gender filtered)
 - Younger respondents are more likely than their older counterparts to buy UA products. (Q15, Age filtered)
- Quality (64.8%) was the main reason for choosing UA products (Q16)

1. Are you an active (work out, play sports, yoga, run, bike, etc.) individual?



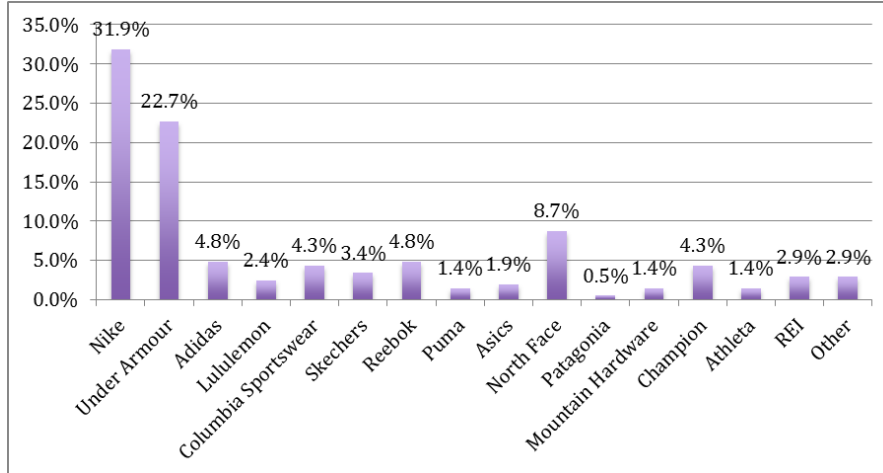
Sports Apparel Brands

2. Which sports apparel brand is the most reasonably priced?

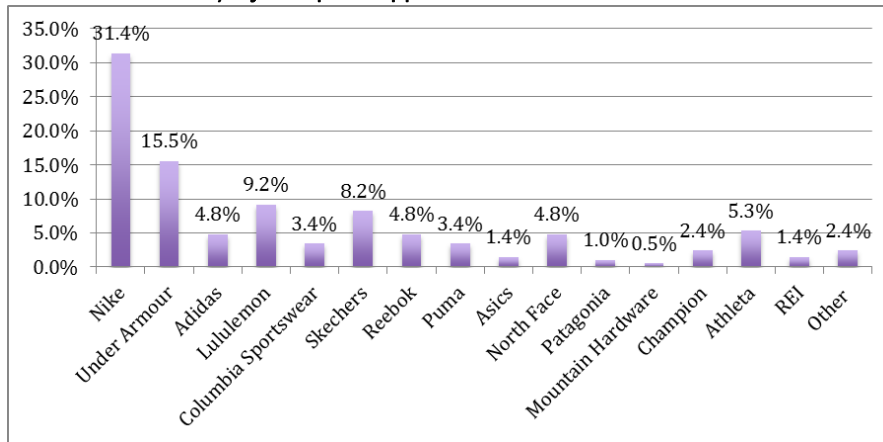


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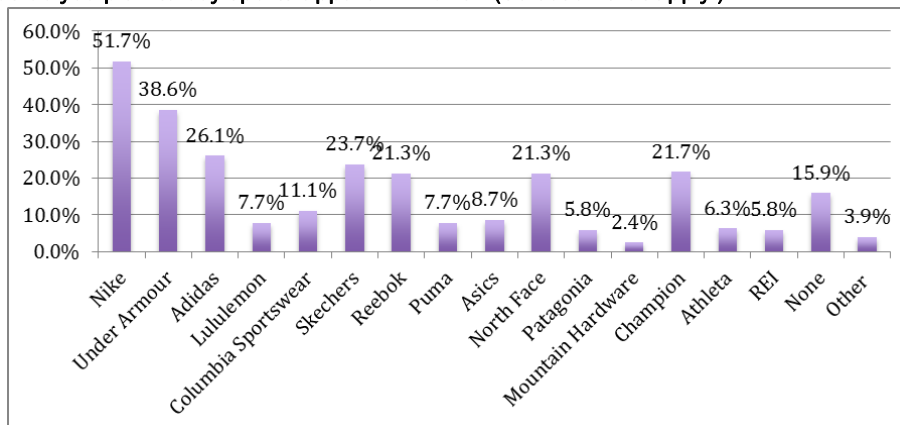
3. Which brand has the highest quality and most durable sports apparel?



4. Which brand has the most fashionable/stylish sports apparel?

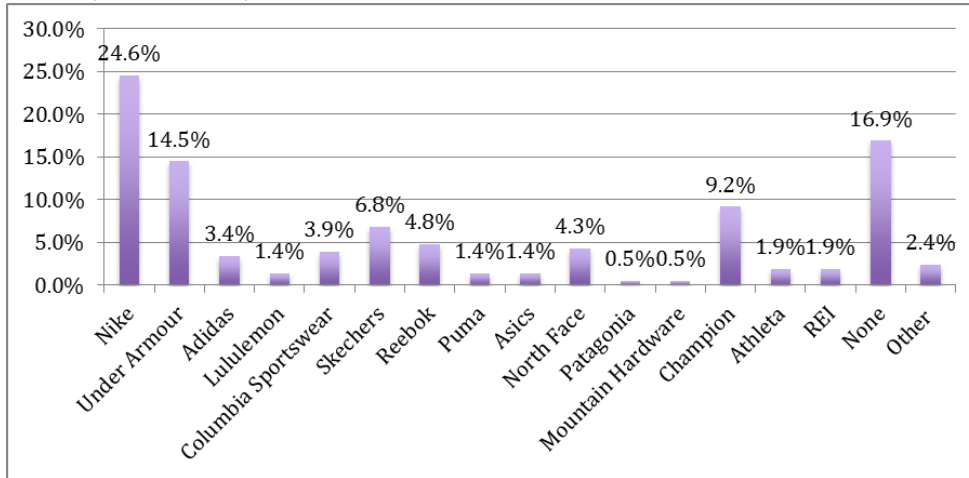


5. From which brands do you plan to buy sports apparel in 2015? (Select all that apply.)



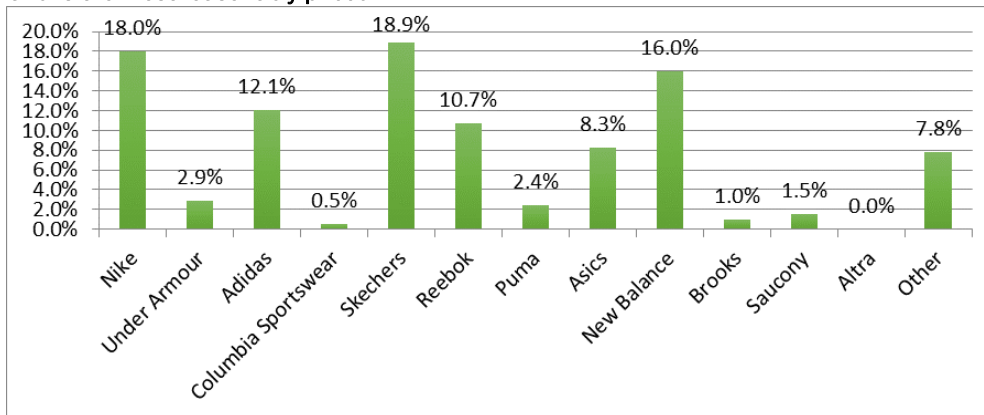
Under Armour Inc.

6. From which brands do you plan to buy the most sports apparel in 2015?

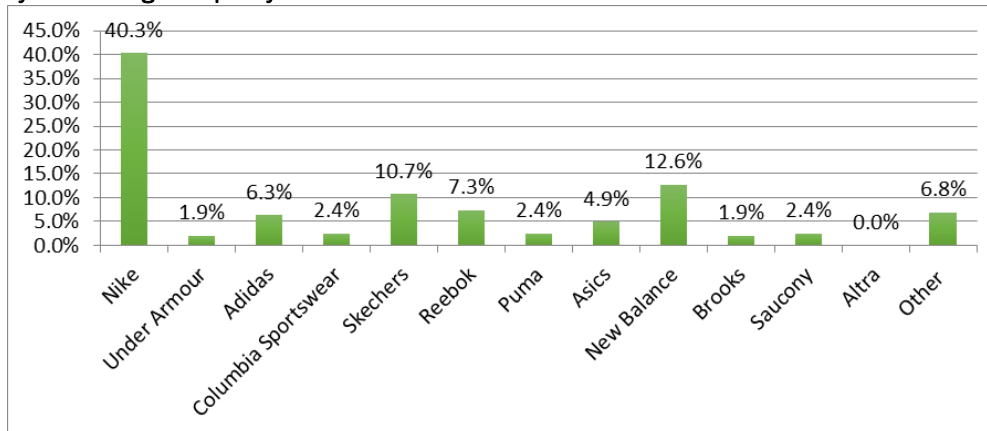


Athletic Shoe Brands

7. Which shoe brand is the most reasonably priced?

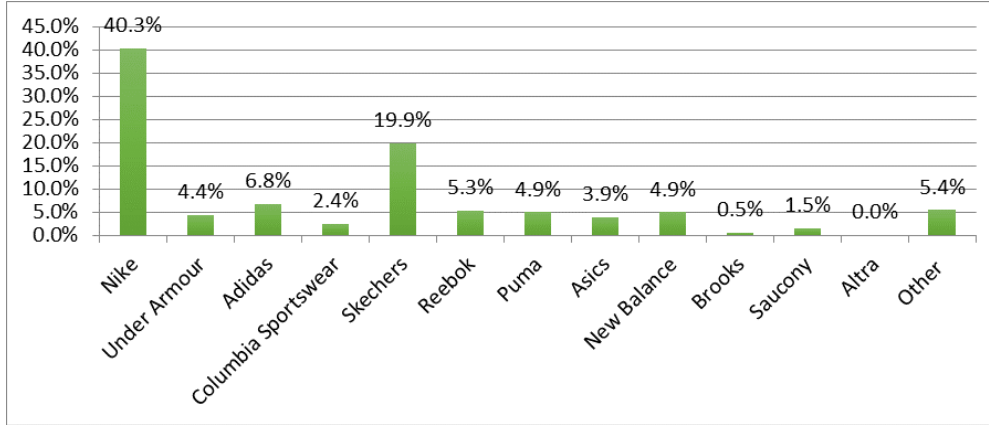


8. Which company has the highest quality and most durable shoes?

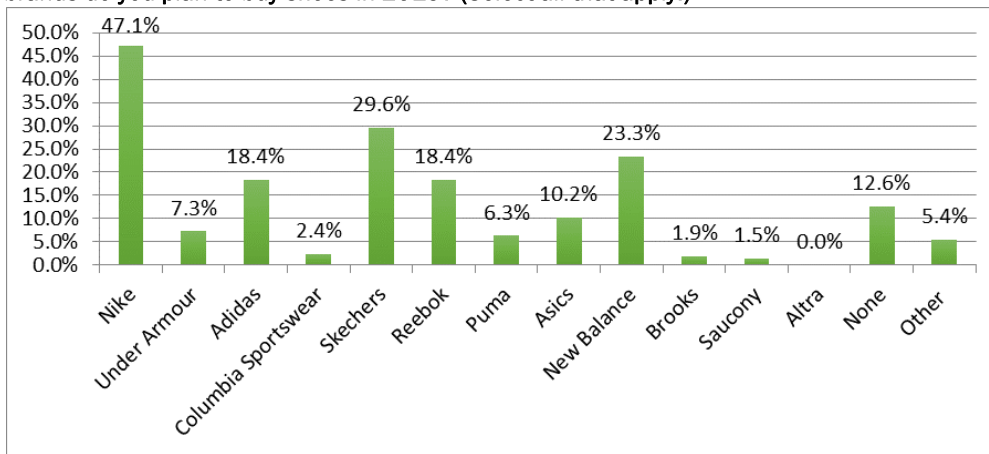


Under Armour Inc.

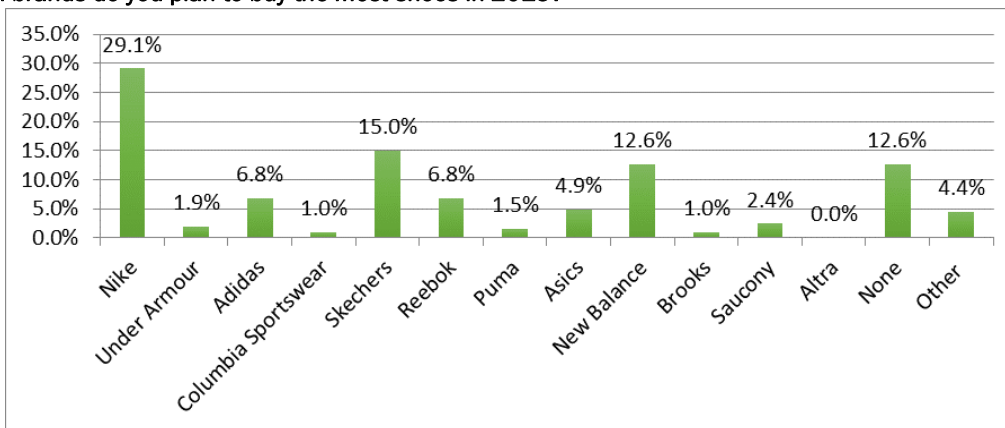
9. Which company has the most fashionable/stylish shoes?



10. From which brands do you plan to buy shoes in 2015? (Select all that apply.)



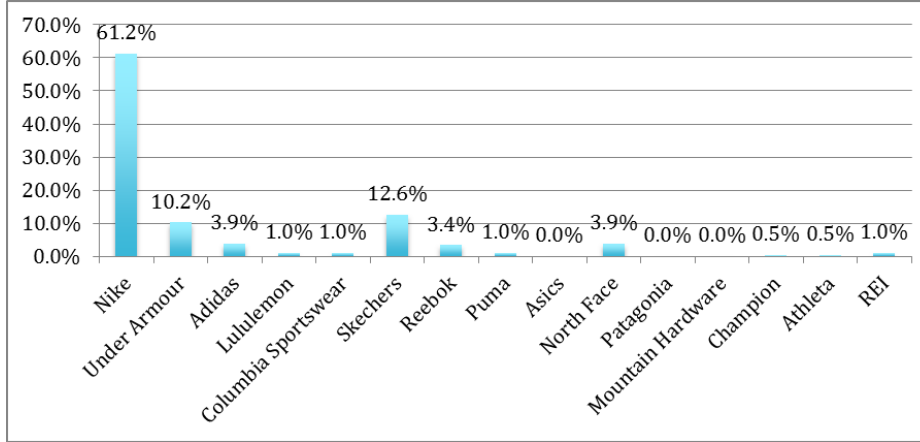
11. From which brands do you plan to buy the most shoes in 2015?



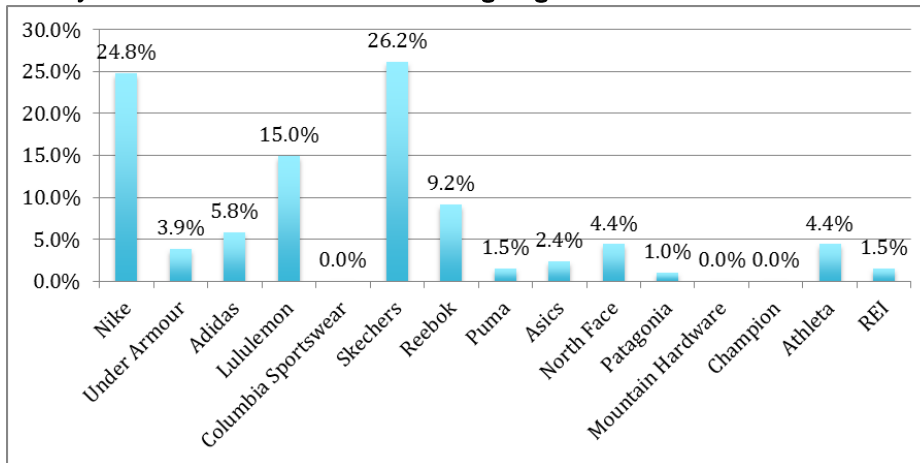
Under Armour Inc.

Advertising

12. For which brand have you seen the most advertising?

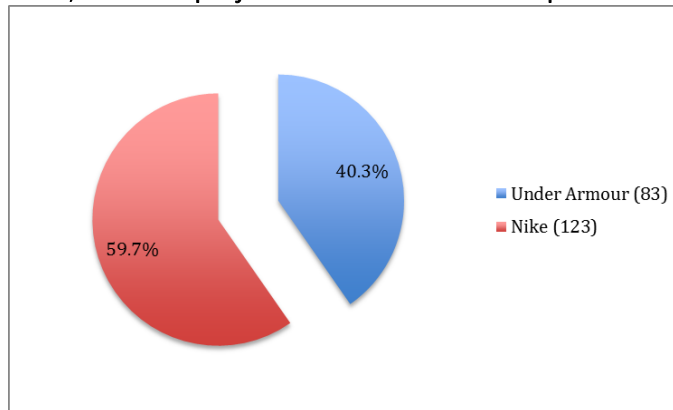


13. For which brand have you seen the most advertisements targeting women?



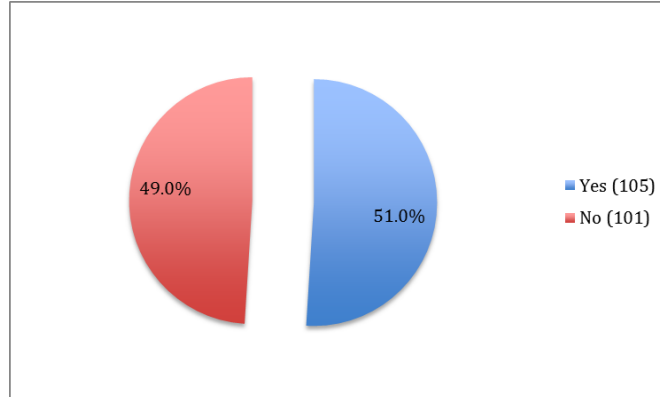
Under Armour vs. Nike

14. Between Under Armour and Nike, which company offers the most reasonable prices for the quality?

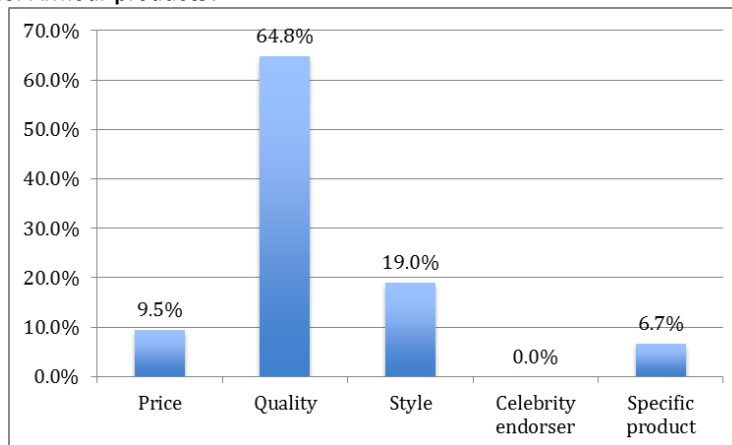


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15. Do you buy Under Armour products?

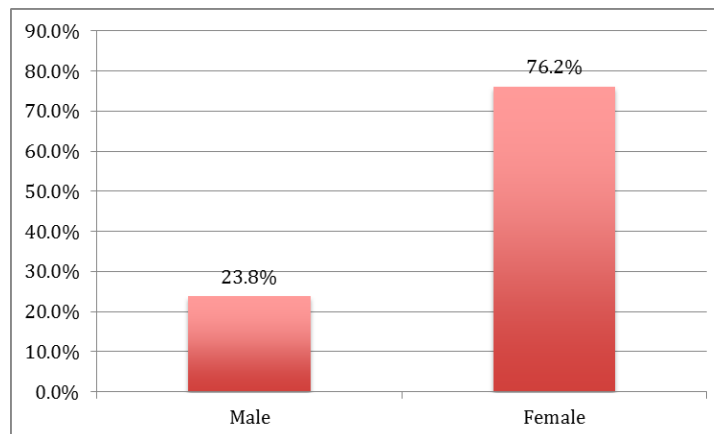


16. Why do you choose Under Armour products?



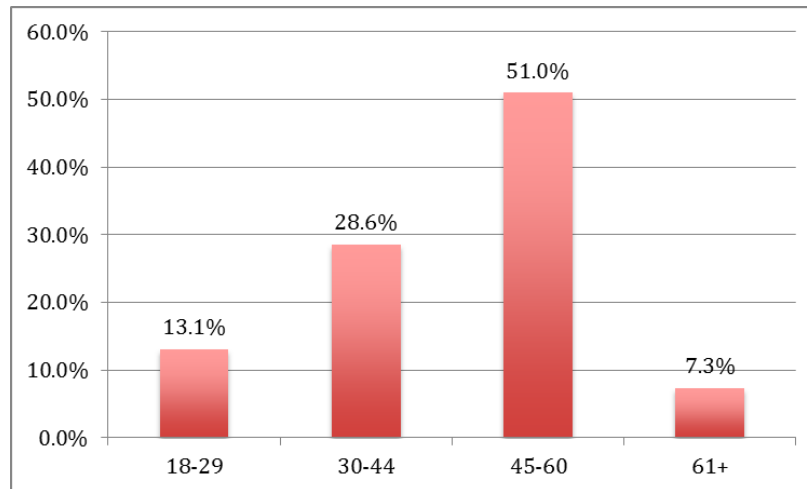
Demographics

17. What is your gender?



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18. What is your age?



Secondary Sources

The following 11 secondary sources discussed Under Armour's branding for women's apparel, the company's fabric quality, its international growth, and its footwear.

Under Armour Women's Branding

Under Armour may see its women's wear segment meet or exceed its men's wear sales. The company created an award-winning ad campaign featuring model Gisele Bündchen and ballet dancer Misty Copeland, and its brand preference has increased from 9% to 19% in the last year. Still, some question if the campaign paid off financially as third-quarter sales growth came in lower than expected.

Dec. 25 *Fortune* [article](#)

Under Armour and Nike will surpass their competitors in the women's sportswear market. Under Armour expects its women's business to match or exceed its men's business.

- "Nike and Under Armour, whose customers are mostly men, want to do a better job of tackling the women's market. Nike is hoping sales of sports bras, tights and other women's gear can add [\\$2 billion to annual sales by 2017](#)."
- "Under Armour has said its \$500-million women's business can one day be as big if not bigger than its men's business. Today, sales of the company's men's line is more than double in size."

Oct. 20 *Forbes* [article](#)

The "shrink it and pink it" mentality has given way to addressing women's real sportswear needs. Since Under Armour's "I Will What I Want" campaign aired, its brand preference has increased from 9% to 19% among its target consumers.

- "'Sports in all its forms and definitions have never been more impactful on the lives of girls and women,' said Christine Driessen, [ESPN CFO](#), to an audience of top female athletes and women in sports influencers at the [5th Annual espnW Women + Sports Summit](#). The marketplace is exploding with untapped and expanding opportunities to serve women of all ages. ... There is money to be invested and money waiting to be earned."
- "While the female consumer purchasing power has been widely reported at 85%, it seems that only recently the [business](#) sector has replaced the *shrink it and pink it* mentality with authentically listening to the needs of women."

Under Armour Inc.

- “The women’s athletic apparel market in North America is estimated at \$14 billion. But focusing on the ‘traditional’ definition of a female athlete and her spending habits left companies like Under Armour capturing only 1/5 of the market.”
- “For Heidi Sandreuter, Under Armour’s Vice President of Women’s Marketing, the answer includes touching a cultural nerve, creating a human story that consumers can connect with, and designing products worthy of a woman’s will. Launching the [I Will What I Want](#) campaign allowed Under Armour to reach consumers who identify with being told that cannot do something and then rising above adversity. The ad featuring American Ballet Theater soloist, Misty Copeland, which shatters body image, age and race stereotypes associated with being a ballerina, has compiled over 6 million views on YouTube.”
- “Sandreuter notes that in the last year Under Armour’s brand preference increased from 9% to 19% among their target consumers. And since launching the campaign, the company experienced a rise in brand awareness and relevance, as well as purchase intent.”

Oct. 28 *Baltimore Business Journal* [article](#)

UA’s ad campaign featuring Gisele Bündchen and Misty Copeland did not affect sales as much as the company had hoped. Analysts expected 30% growth in the third quarter of 2014, but only 26% was reported. UA’s CFO stated the company could have better capitalized on the women’s campaign.

- “Gisele Bündchen and Misty Copeland didn’t have a big impact on Under Armour’s apparel sales. It didn’t cause them to go running to their nearest sporting goods store to buy up all the Under Armour gear on the shelves.”
- “Throughout the third quarter, the Baltimore sportswear maker saw 26 percent growth in apparel across men’s, women’s and children’s sportswear—a disappointing figure for analysts like [Michael Binetti](#), executive director of UBS Investment Bank, who expected growth of at least 30 percent in the company’s apparel sales.”
- “[Brad Dickerson](#), the company’s chief financial officer, said in hindsight Under Armour (NYSE: UA) could have done more to capitalize on the women’s campaign.”
- “Dickerson and CEO [Kevin Plank](#) reassured analysts that they were pleased with Under Armour’s apparel growth, but declined to provide specific figures for the company’s women’s apparel sales in the third quarter. A report from Princeton Retail analyst [Matt Powell](#) said sales of women’s clothes declined in the mid-single digits in September.”
- “Under Armour needs to do a better job of presenting women’s products on the retail floor, Dickerson said. That means using stronger color palettes, grouping the right products together and keeping merchandise layouts simple, Dickerson said. ‘We never shy away from things we need to get better at,’ Dickerson said.”

Quality of Under Armour Fabric/Clothing

Under Armour customers offered mixed reviews on the company’s quality of material. Overall, quality in its shoes, tights and shirts is perceived as high, but some UA pants have an issue with pilling.

Oct. 14 *The Inkwell* [blog entry](#)

An athlete discussed Nike products slightly inching out Under Armour in terms of quality and performance.

- “I believe that Nike has the edge when it comes to casual shoes, running shoes, and basketball shoes. For one, I believe when it just comes to comfort, Nike beats Under Armour. Do not get me wrong, Under Armour makes a very comfortable shoe, but Nike just has perfected it over the years.”
- “One of the biggest standoffs is which is between Nike Compression Pro Combat or Under Armour Heat/Cold Gear. Both of these products do what they are made for. They are supposed to keep the sweat off the body, and this prevents someone from becoming too hot or cold. But, it is a tossup because Nike makes their shirts with a better material than Under Armour; Under Armour makes their clothes out of synthetic fibers that wicks moisture away. Nike makes their Pro Combat out of a Microfiber and polyester fabric that brings sweat to the surface to evaporate. But, Under Armour has a better variety to their stuff. This means that Under Armour has more color variety for their shirts and different designs on the shirts. I would have to give this category a tie because Nike makes their shirts with a better material, but Under Armour has a better variety.”

Nov. 10 Under Armour reviews

Reviewers on Under Armour's [website](#) discussed product quality. Many reoccurring complaints centered on pilling in its athletic pants. Some tights and crew shirts received good marks for product quality.

- **Dec. 31:** "These leggings fit great. I'm a size 27 waist, and I have slim legs. The small was perfect. However, after 1 wash the Under Armour logo next to the knee was half worn away, and after 2 or 3 washes they are covered in pilling. It's impossible to remove all the little lint balls on the thighs and butt. I may as well have thrown 50 dollars in the trash. Very disappointed."
- **Nov. 29:** "I was disappointed to see the leggings pill even after the first wash. I wash them with like materials and the pilling has gotten worse. I was going to go ahead and buy some more leggings but I'm considering trying other brands to avoid the pilling. It makes the leggings look really old and I've just bought them!"
- **Nov. 10:** "I am really disappointed in the quality of these athletic pants. My child has had these for two weeks and they are already showing wear. They have only been worn to school and they are piling and look worn out. For the cost of these pants I would expect better quality and will no longer purchase clothing from this company."
- **May 16:** "Love the grip. Love the comfort. Seams came unstitched in the first week. I had hoped for a little better quality."
- **May 14:** "One month into owning these pants my son has destroyed the butt area and knees from normal wear. He has never ruined a pair of pants like these EVER! He has cheapo Gap pants that have held up better than these. This material pills (unravels and balls up) very easy as if he put Velcro on the pants 50x. I love the look but these won't last very long for your active boy."

Aug. 22 Wear Testers [reviews](#)

An athletic shoe tester reviewed a Micro G Under Armour shoe, detailing the physical attributes of its rubber soles, cushioned interior, and ClutchFit material.

- "Great traction ... not quite 'the best I've ever had' but [it's] damn close. Multidirectional herringbone is usually solid and in this case ... it holds true. The rubber used is great as well, tacky enough to grip the floor but not to the point where dust is attracted to it. To top it off, you can get down with these on the blacktop and they still perform just as good."
- "[Micro G](#) is still my favorite foam cushion currently used in basketball footwear. This rendition isn't quite as bouncy as the Spawn, but [it's] still a great ride. Very stable and comfortable while providing [impact protection](#). If you haven't yet tried Micro G then I strongly suggest it. At Under Armour's price points, there really is no logical reason why you shouldn't try it ... unless you're loyal to a certain brand."
- "ClutchFit is UA's latest innovation, and they've spanned it across their entire performance lineup. I think they've even brought it over to some of their apparel. Their claim is that ClutchFit acts as a second skin, which it does, and the material is also pretty supportive. Moving freely without restriction is a key component to you moving freely without restriction. I was a bit disappointing that the upper featured absolutely no mesh, their running line has ClutchFit over a [mesh upper](#) which I think is cool, but other than that I really have no complaints. The material does its job and its durable for both indoor and outdoor usage."

Under Armour's International Potential in 2015

Under Armour's international revenue increased nearly 100% in the first nine months of 2014. Currently, 9% of its total revenue is generated internationally. Great implications for Under Armour lie ahead if it can achieve a 50-50 split in international vs. domestic revenue, similar to Nike.

Jan. 12 Motley Fool [article](#)

Under Armour's international revenue grew nearly 100% from the previous year for its first nine months last year. International sales account for 9% of the company's revenue whereas Nike's international sales account for just over half of its total revenue. Under Armour could achieve a similar split.

- "Revenue from Under Armour's international business jumped 99.7% for the for first three quarters of 2014 but still only represented around 9% of Under Armour's total sales over the same period."
- "First, over the short term, it means Under Armour won't significantly suffer as a result of recent foreign currency pressures that have hurt its more globally based competitors."

Under Armour Inc.

- “While Under Armour currently generates less than a tenth of its revenue overseas, international markets last quarter represented just over half of Nike’s roughly \$7 billion in total Nike Brand sales. For perspective, Under Armour’s most recent guidance calls for *full-year 2014* sales of ‘just’ \$3.03 billion. If Under Armour can ultimately achieve a similar split while continuing to grow its domestic business, it’s apparent the company’s runway for international growth is absolutely enormous.”

Sep. 30 **Acclaro** [blog entry](#)

Under Armour hopes 12% of its revenue will come from international business by 2016.

- “Though 94% of Under Armour’s revenue came from North America in 2013, the company is eager to shift at least 12% to international markets by 2016. An underdog in the athletic shoe and apparel game, Under Armour will need to not only attract international customers, but also broaden its product line in order to appeal to more buyers.”
- “The company has initially set its sights on Europe. While the U.S. play has been largely centered on local sports such as American football, Under Armour made the decision to sponsor European soccer clubs, including England’s Tottenham Hotspur. They’ve also branched out into rugby, scoring a deal with the Welsh national rugby team. While their reputation in these sports is still new, they hope to spread to Latin American markets with the same strategy.”

Oct. 29 **Investor’s Business Daily** [article](#)

Citigroup believes Under Armour’s international opportunity is better than ever, as recently highlighted by UA’s signing of tennis star Andy Murray.

- “Citigroup upgraded Under Armour to buy and raised its price target to 75 from 67, saying that the company still has room to expand in the U.S., while its international opportunity is ‘greater than ever.’”
- “Last month, Under Armour signed a four-year endorsement deal with Scottish tennis superstar Andy Murray to help expand its presence abroad. The Scottish player was named as part of the brand’s athlete roster in a four-year deal that will see him wear the brand’s apparel footwear and accessories and also appear in Under Armour campaigns and appearances from January next year.”

Under Armour Shoes

Under Armour footwear sales increased by 42% in the first nine months of 2014. The company has succeeded in signing star athletes to wear and promote its shoes. Company executives believe UA’s footwear division eventually may outsell its apparel.

Jan. 3 **TheStreet.com** [article](#)

The biggest growth areas for Under Armour are its footwear and international segments. Under Armour’s footwear division gets the most publicity as it is so closely aligned with the star athletes.

- “It’s no secret that the two biggest areas of growth for Under Armour are footwear and international. On the footwear side, the company [tried to poach Kevin Durant](#) from Nike last year, and [even though it lost out](#), everyone took notice as to how ambitious Plank really is—and how much he’s willing to spend on athletes.”
- “[Under Armour is feverishly trying to produce shoes](#) that people want and to sign stars to wear them in front of the masses. But there’s a long way to go.”
- “Nike’s shoe business, according to SportScanInfo, remains nearly 30 times bigger—although Under Armour’s growth rate is more than 50%. Despite the wide overall gap, the footwear side of the story gets the most publicity, mainly because the business is so closely aligned with the star athletes sponsored by these companies.”

Oct. 31 **Fortune** [article](#)

Under Armour footwear sales leapt 42% in the first nine months of 2014 year to year. Company executives believe its footwear business eventually could be bigger than its apparel division.

- “The footwear market is a unique growth area for Under Armour, which unlike many athletic-gear makers, generates more sales from apparel than from footwear. The company’s footwear sales leapt 42% to \$345.2 million for the first nine months of 2014 from a year ago, though apparel sales for that period were a loftier \$1.58 billion.”
- “Kip Fulks, head of footwear at Under Armour, said the company’s initial success in the apparel business is a strength as it considers new product development for footwear.”

Under Armour Inc.

- “Under Armour has certainly been investing in the business, which executives say can be as big—if not bigger—than apparel [someday]. Under Armour is planning to add a new technology to its shoes once a year, and the company’s Portland, Ore., office, which started with four employees, now has 40.”
- “‘Under Armour is a terrific brand and a great growth story, I think they are a wonderful company with great potential,’ Powell said. ‘But they have a long way to go to catch up to Nike—and the problem is Nike is growing very quickly for a huge company.’”

Additional research by Renee Euchner, Gloria Shao, Steve Evans, Cindy Elsberry, Jacqueline Fox, Eugenia Lee, Kevin Murphy, Tina Strasser and Mason Rudy.

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