

Most Innovative Product

NIKE AND APPLE COLLABORATE TO REVOLUTIONIZE THE RUNNER EXPERIENCE WITH THE NIKE+IPOD SPORT KIT

Nike Inc. and Apple Computer Inc. — two of the most recognizable brand names in the world — collaborated on a new product platform intended to harness the power of digital technology to improve a runner's experience. The first fruition of this partnership — the Nike+iPod Sport kit — received the 2006 Most Innovative Product Award at the first annual Consumer Goods Growth & Innovation Forum. Recognition comes not only because it is the first-to-market product of its kind, but for the creation of what may be the fastest-growing running community in the world.

The product — launched in July 2006 — involves an electronic sensor inserted under the inner sole of a new Nike running shoe called the Moire (MOR-ay). That sensor talks to a small wireless receiver that attaches to Apple's iPod nano music player. The components work together to give voice prompts, interjected while music is playing, telling runners how far they've gone and at what pace. The iPod also keeps track of the duration, distance and other information on each run. The data can then be uploaded to a Mac or PC, and from there to a Nike Web site, nikeplus.com, where runners can track progress, set goals and share results.

COLLABORATION IS KEY

While the product was Nike's big idea, both Nike and Apple engineered the solution. "It was a natural fit for the two companies to work together — Nike, the world's No. 1 sports company, and Apple, the leader in digital music, bringing the world of sports and music together with the launch of Nike+iPod innovative products for fitness enthusiasts," says Derek Kent, a spokesperson for Nike Inc.

Both companies have various initiatives promoting the new offering online, in retail stores and in their respective channels. For example, Apple has a Nike Sport Music section on the iTunes Music Store and Nike has introduced a range of apparel and accessories designed specifically for the iPod, in addition to nikeplus.com where runners go to log their runs and experience the Nike+ iPod community.

While Nike would not disclose sales numbers, Kent says the company is very pleased with consumer reaction and demand for Nike+ ready footwear and the Nike+iPod experience. For example, Nike+iPod runners logged close to three million miles, with more than 10,000 people logging runs daily on nikeplus.com for the week of November 26, 2006.

KEEPING UP THE PACE

The experience of developing Nike+ is just the beginning of a broader strategic relationship. Both companies will continue to collaborate in other ways to use product design and innovation to offer more personal, more connected experiences for consumers.

Currently, Nike is continuing to grow Nike+ product offerings, expand nikeplus.com with new features such as a route finder, and create original sport music content in the Nike Sport Music section of the iTunes Store, having just recently launched its second original track on iTunes.

Nike has already updated and enhanced the nikeplus.com Web site with new support buttons that include video tutorials and discussion boards where

users can talk about runs, products and power, and find people to challenge. Nike also launched recent challenge events such as the NYC Marathon: Run Like Lance; Chicago Marathon: NorthSide vs SouthSide; and the Women's Marathon.

"We currently offer 12 styles of Nike+ ready footwear, with more to come. We have also recently launched in more markets, including France, Spain, Italy, Germany and The Netherlands, as well as Japan and Australia. But there will be more updates to come so watch this space," assures Kent. **CG**

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— DEREK KENT, SPOKESPERSON, NIKE



Nike Inc. and Apple collaborated on a series of products that harness the power of digital technology to improve a runner's experience.

OUTSTANDING ACHIEVEMENT AWARDS



V8 V.Fusion

Research shows that 85 percent of consumers say fruits and vegetables are important to them and they want to eat more, yet only one-third is eating the USDA recommendation. Taste and time constraints were driving a gap between consumer attitudes and behavior, which signaled opportunity for the beverage category. In January 2006, The Campbell Soup Company launched V8 V.Fusion, a 100 percent juice that provides consumers

with a full serving of both fruit and vegetables in each eight-ounce serving. "By leveraging the powerful brand equity of the V8 brand, which is in fact is the No. 1 brand consumers' recall when it comes to healthy credentials, [HealthFocus International 2005]; we developed a truly unique and innovative product," says Nancy Krawczyk, director of industry & trade communication, The Campbell Soup Company. The product development team worked closely with field sales and its retail customers to collaborate on the development of the V8 V.Fusion product and the introductory program. As a result, 99 percent of the grocery customers put the product on the shelf within seven weeks. Leading customers drove trial and awareness with fully integrated events that include big floor displays, in-store demos and single serve shippers. Advertising and FSI support continues to fuel the business momentum.

Gillette Fusion

The launch of Gillette Fusion and Gillette Fusion Power ensured that Gillette would maintain category leadership for its new owner The Procter & Gamble Company. The products sport two shaving system breakthroughs: A five blade shaving surface technology on the front of the cartridge and a precision trimmer blade on the back. The timely product launch was backed by multi-million dollar advertising campaign, created by BBDO New York, which kicked off during Super Bowl XL, the most watched sporting event of the year. The 30-second and 60-second spots featured advanced computer animation, combined with photographic images shot on location in the Mojave Desert. "Gillette Fusion and Fusion Power represent the next generation in shaving, and Super Bowl XL is the

ideal vehicle to introduce men to these outstanding new products," said Peter K. Hoffman, president, global grooming, Procter & Gamble. "The combination of the Super Bowl and our breakthrough shaving systems truly personifies the best a man can get." Sales of Gillette Fusion and Gillette Fusion Power got off to an encouraging start after hitting store shelves in late January 2006. Procter & Gamble's blade and razor sales increased 12 percent versus the pre-acquisition base period primarily behind the launch of Fusion in Western Europe and Japan, while promotion activity to support the Fusion launch led to a negative one point impact on net sales growth.

