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MEDIA & MARKETING

Michelle Wie Wins A Deal Helping Nike Target Women Golfers

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When 15-year-old golf prodigy Michelle Wie announces today that she is turning pro, she'll quickly score her first corporate ace: a four-year contract paying up to \$5 million a year to help **Nike Inc.** try to gain a foothold in the women's golf market.

Ms. Wie's decision to go professional before she is eligible for a driver's license caps a rise to prominence that began when she was just 10. While it's a boon for the Ladies Professional Golf Association Tour, it's bigger news for sponsors like Nike, which hopes the young superstar will increase its sales by attracting more women players to the game, as Tiger Woods did with golfers in general almost a decade ago. Women players are one of the few growing categories in a long-stagnant golf market, but they still accounted for just a quarter of the 25.7 million golfers in the U.S. in 2004.

**Michelle Wie**


Ms. Wie isn't applying to join the LPGA Tour, which requires that members be 18 or older unless they get a waiver. But by turning pro, she is eligible for corporate sponsorships, and she can play overseas and in a limited number of LPGA and men's PGA Tour events. Even as she announces her deal with Nike, Ms. Wie is expected to hire the William Morris Agency's Ross Berlin to represent her and to announce an endorsement deal with **Sony Corp.**

Though her initial bounty is small compared with the estimated \$40 million that Mr. Woods earned when he turned pro at age 20, Nike, of Beaverton, Ore., sees big potential in Ms. Wie. Mr. Woods's early professional success and mixed-race background helped ignite interest in golf beyond the older white males who traditionally dominated the sport.

Similarly, Ms. Wie has made a splash in the golf world because of her young age and her desire to compete in men's PGA tournaments.

A Korean-American raised in Hawaii, Ms. Wie also has the aura of a typical American teenager, giving her a marketing edge in the U.S. over other Asian players on the LPGA Tour like Hee-Won Han and Se Ri Pak. "The way you make money as a spokesperson is if you can transcend sports, genders and ethnicities," says David M. Carter, a University of Southern California sports business professor. "That's where someone like Tiger Woods

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has been a brilliant marketing asset."

But for now Ms. Wie is a teenage question mark. It's unclear how she will react to the pressure of being one of the faces of Nike Golf. And any professional success she achieves may not translate into a sales spike for Nike. Analysts say women golfers making purchase decisions tend to listen more closely to friends than to professional golfers.

Nike says it first identified Ms. Wie as a potential endorser when she won the U.S. Women's Amateur Public Links Championship tournament in 2003 at the age of 13. While it's too soon to judge her place in golf or her influence on the public, her talent is unlike that of "any woman out there today," says Nike Golf President Bob Wood. "She is the complete package as a player." She also continues Nike's trend toward signing younger and younger endorsers, including basketball's LeBron James, who signed with Nike at 18, and soccer player Freddy Adu, who signed at 14.

The largest sports company in the world, Nike is still a relatively small player in the golf business. Since Mr. Wood took the helm in 1999, Nike Golf has taken a slow and steady approach, first rolling out clubs aimed at the highly skilled players who make up less than 10% of golfers. In recent years, it has introduced a series of clubs targeting the recreational duffer.

Nike Golf will try to use Ms. Wie to bring attention to the women's side of its small but growing club, ball and equipment business. According to Mr. Wood, one-fifth of the division's product line is geared to women, and sales of women's products -- from apparel to footwear to clubs like the Slingshot Irons -- make up about 15% of total sales.

Ms. Wie's crossover appeal may result in her starring in other Nike advertising and marketing, much as tennis star Maria Sharapova has. She's also likely to be influential outside the U.S., where the company does about 40% of its business. But Mr. Wood says there are no plans yet to create an apparel line for her, as Nike did with Mr. Woods.

Nike is looking to the women's market at a time when the overall golf industry remains static. According to the National Golf Foundation, the number of rounds played year to date has dropped 0.8%. One bright spot is female golfers, whose ranks ticked up 0.2% to 6.6 million in the U.S. in 2004, according to the Sporting Goods Manufacturers Association.

In the past, golf club manufacturers rarely spent time researching and developing products specifically for women, choosing instead to tweak male products and sell them to female consumers. Golf retail stores carried little merchandise for women. Now manufacturers like **Callaway Golf Co.** have started creating products specifically for women that take into account women's slower swing speed, for example.

While Mr. Woods's endorsement deal with Nike brought the swoosh into the golf world and drove strong apparel and footwear sales, Mr. Woods's influence on the division's nascent golf club business is more recent. That's in part because it took two years to persuade Mr. Woods to switch over to Nike clubs. He now carries the company's Ignite driver, among other clubs, a move that Nike says has translated into higher sales. In contrast, Ms. Wie will debut as a Nike athlete with 14 Nike clubs, including the new SasQuatch driver, in her bag.

Ms. Wie's professional debut will come at the Samsung World Championship in Palm Desert, Calif., next week. She may also compete in the men's Casio World Open in Tokyo in November.

Ms. Wie is just one of a crop of precocious female players who are infusing new vigor into the LPGA Tour, including golfers from the U.S. and abroad like Morgan Pressel, Paula Creamer and Aree Song. The LPGA says

that network television viewership, attendance and tournament purses have grown more than 20% between 2001 and 2004.

For now, Ms. Wie's image is squeaky clean and tightly controlled by her father. Still, Ms. Wie is turning pro at a time when the LPGA is generally moving toward racier marketing that promotes the sex appeal of some of its athletes. Golfer Natalie Gulbis, who has earned more than \$860,000 on the LGPA Tour so far this year, was recently featured in a kittenish spread in ESPN magazine and hawks a swimsuit calendar. LPGA rookie Erica Blasberg blogs about her experiences on the tour Web site next to an image of her with blown-back hair.

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