

TaylorMade-adidas Golf Strategy

TaylorMade-adidas Golf's aim is to be the leading performance golf company in the world in terms of sales and profitability. It combines three of golf's most well-known brands: TaylorMade, adidas Golf and Ashworth. All three brands are dedicated to continuously developing and commercialising innovative, technologically advanced products. TaylorMade-adidas Golf has established six strategic priorities: extending its leadership in metalwoods, continuing to increase market share in irons, maintaining a strong presence in golf balls, maximising growth in footwear and apparel, further strengthening its distribution mix and executing aggressive retail initiatives to drive increased sales.

Capitalising on the strong market positions of three well-established brands

TaylorMade-adidas Golf implements a multi-brand strategy comprised of three well-defined golf brands with strong market positions under one roof. TaylorMade is the market leader in the metalwoods category, is among the leaders in irons, and is steadily evolving into a leader in golf ball manufacturing. adidas Golf footwear and apparel sales have doubled in size during the past five years, thanks in part to the brand's focus on technologically infused performance apparel. The acquisition of Ashworth adds an authentic golf-inspired lifestyle brand complementing adidas Golf's position and increases the segment's presence in the golf apparel market. TaylorMade-adidas Golf is committed to further growing its business in all categories in a profitable way, by harnessing the segment's R&D resources, by leveraging its brand equity and by expanding the distribution of all three brands.

Innovation and design focus

TaylorMade-adidas Golf's core objective is to create the best performance golf products in the marketplace, and that starts with a clear commitment to innovation, technology and leadership on the world's professional golf tours. The segment strives to extend its leadership position with a continued focus on innovation and cutting-edge design while introducing at least one major product innovation or evolution every 12 to 18 months. In 2008, for example, TaylorMade successfully launched two new innovatively designed high-MOI putters called Monza Spider and Itsy Bitsy Spider that proved immediately and immensely popular among Tour professionals, and which helped double TaylorMade's putter sales. In 2009, the segment will continue to leverage the terrific success of the Burner® golf club line with the launch of new Burner® irons ■■■ see TaylorMade-adidas Golf Products and Campaigns, p. 146, with the long, middle and short irons each designed separately to achieve specific types of performance. adidas Golf continues to leverage adidas' R&D capabilities, incorporating innovative adidas concepts and technologies into golf footwear and apparel products to improve performance, comfort and durability.

Extending leadership in metalwoods

Today, TaylorMade is the clear market leader in metalwoods (drivers, fairway woods and hybrids). The brand is particularly strong in the USA, where it has forged a 30% share of the market and a large lead over its strongest competitor.

This success was driven by TaylorMade's ability to introduce and commercialise a steady stream of new and innovative products. The brand's primary focus going forward is to remain the innovation leader and expand its metalwood business outside the USA. This strategy enabled TaylorMade to gain significant market share in Europe in 2008. In 2009, the launch of the new R9™ driver and fairway woods will serve as a platform to continue the brand's strong momentum globally. In addition to TaylorMade's award-winning Movable Weight Technology™ (MWT®), the R9™ incorporates the brand's new Flight Control Technology (FCT) ■■■ see TaylorMade-adidas Golf Products and Campaigns, p. 146. The combination of these two technologies adds a new dimension of product customisation, giving golfers the power to change the club head's face angle, loft and lie angle in addition to changing the location of its centre of gravity.

By 2010, TaylorMade plans to establish a global metalwood market position that is as strong as what it enjoys in the USA, in part by strengthening its promotion partnerships in other regions (e.g. new partnerships with Andres Romero of South America and Ye Yang of Asia).

Growing golf ball business by further gaining Tour credibility

Success in this category depends on the ability to create high-performance golf balls, bring them to market and build credibility among Tour professionals. During the last four years, TaylorMade-adidas Golf has restructured its golf ball business to lay the groundwork for a prosperous future. This includes the careful construction of an in-house ball division fully dedicated to developing high-quality, technologically advanced performance products.

TaylorMade successfully extended its premium TP Red™ and TP Black™ golf balls in 2008, upgrading them with a new technology called Low-Drag Performance (LDP) that improves driver distance on off-centre hits. TaylorMade-adidas Golf Tour Staff professional Sergio Garcia used the TP Red™ LDP throughout 2008 when he won the PGA Tour's prestigious Players Championship and rose to No. 2 in the World Golf Rankings. TaylorMade is now the second most-played golf ball brand on the European Tour. More than 270 Tour professionals around the world are playing the TP Red™ and TP Black™. This high level of Tour validation has furthered TaylorMade's credibility as a golf ball brand among professionals and serious golfers. Commercially, this success has fuelled a significant rise in market share, making TaylorMade the industry's fastest-growing golf ball brand.

TaylorMade intends to enhance marketplace acceptance and sales in the golf ball category by extending TaylorMade branded offerings, increasing the number of Tour professionals using TaylorMade balls and further leveraging the successful NOODLE franchise, which focuses on soft-feeling, long-distance golf balls at a value price.