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Can Rory McIlroy do better than Nike?

By Kristi Dosh

It seems obvious that pairing up with Rory McIlroy, the hottest player in golf, would be a sure win for Nike. With longtime endorser Tiger Woods' struggles in recent years, Nike Golf reported a 2 percent decline in sales for the 2010 fiscal year and a 4 percent sales decline for the 2011 fiscal year. Perhaps the more interesting

question is whether it would be a good move for McIlroy.

Nothing has been signed yet, McIlroy and Nike have said. But Acushnet Co., which owns Titleist, announced that it would be parting ways with the No. 1-ranked golfer at the end of the year. Reports have McIlroy signing a 10-year, \$250 million deal with Nike, which would make him not only Nike Golf's highest-paid athlete but also the highest-paid athlete in Nike's entire stable of athlete endorsers.

Money aside, would McIlroy be better off with another company where he wouldn't have to share the stage with Woods?



Rory McIlroy and Tiger Woods before teeing off at the "Duel at Jinsha Lake," a one-day golf challenge in Zhengzhou, central China's Henan province on Oct. 29.

Unlikely. In fact, it might be Woods holding the short end of the stick.

"For Nike to go out and get McIlroy basically says, 'Rory, you're the official 'it' guy in golf. It's no longer Tiger,'" said John Stone, director of business development at New England Consulting Group.

"It's different when Nike says, 'Tiger, move over,' than when other pundits say, 'Tiger has lost it,'" Stone said. "There's no one else that Nike could have gotten that would have signified that the Tiger era is over and Rory is it."

Holly Geoghegan, former director of communications for the LPGA and president of Golf Marketing Services Inc., agrees: "This makes it clear he's the heir apparent to Tiger."

But Woods won't be simply moved aside by Nike.

"They want to harness combined appeal while Tiger still has appeal left," Stone said. "Tiger is still very relevant because he's chasing [Jack] Nicklaus' record."

"[Woods] has played good golf lately, he just hasn't won majors. If he wins a major and that story comes back, and you have Rory and he's the new 'it' guy in golf, then Nike could really come back into the top three as far as golf brands."

In fiscal 2011, Nike trailed TaylorMade by Adidas, Titleist and Callaway in golf revenue.

In the future, if the deal is done, expect the larger focus to be on McIlroy, Stone said.

Geoghegan and Stone say that's a good thing for Nike.

"Nike, when you look at them, they are the global sports brand," Geoghegan said. "As golf is more and more becoming recognized as a global game, it made perfect sense for them with Rory being European."

Stone sees another upside for Nike.