The Value Behind the Numbers:
An Analysis of University Athletic Apparel Contracts

Objective
To analyze and develop an understanding of uniform and apparel agreements between athletic companies and collegiate universities

Methods
- Completed a careful analysis of the official contract
- Conducted interviews with Iowa State staff, administration, and current student-athletes
- Thoroughly researched Nike’s strategy

Significance

Iowa State
- Retail merchandise allowance reduces expenses
- Access to the newest gear and the latest styles provides an opportunity for trendy new uniforms
- Ability to provide student-athletes and staff with additional gear, including travel gear, sweat suits, coats, hats

Recent Growth of Athletic Apparel Agreements

<table>
<thead>
<tr>
<th>University</th>
<th>2014-15 Contract Value</th>
<th>2017-18 Contract Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>$7.5</td>
<td>$18.5</td>
</tr>
<tr>
<td>Ohio State</td>
<td>$4.2</td>
<td>$6.3</td>
</tr>
<tr>
<td>Texas</td>
<td>$4.1</td>
<td>$12.0</td>
</tr>
<tr>
<td>Kansas</td>
<td>$6.4</td>
<td>$6.7</td>
</tr>
<tr>
<td>Iowa State</td>
<td>$6.7</td>
<td>$1.0</td>
</tr>
</tbody>
</table>

* numbers expressed in millions of dollars

The Benefits
- Revenue, generated from university purchases that exceed the retail merchandise allowance
- Brand promotion to thousands of fans every game day
- Potential to build brand loyalty with consumers
- Opportunity to market replica jerseys and authentic sideline gear to consumers in retail stores

Nike

Iowa State

The Contract
1. Iowa State agrees to outfit its athletic programs exclusively in Nike gear
2. Nike agrees to pay the department to be a Nike school (compensation in the form of a single retail merchandise allowance)
3. Any additional apparel, equipment, and accessories Iowa State needs beyond the allowance must be purchased from Nike
4. Advertising and trademark “policy of reciprocity” allows Nike to use Iowa State’s likeness, but only after receiving written approval from the university

Conclusions
- Athletic apparel agreements have grown drastically in recent years
- The impact of athletic apparel agreements extends well beyond the numbers, for both parties
- As a result, growth will likely continue into the future

Acknowledgements