

# Our Business Is Building Brands

Since the beginning of the 1990s, Adams-Millis has done an about face on its product mix. Just a few years ago, 75 percent of the company's socks were made for private label and only 25 percent were for brand names.

By June of next year, brand names will account for 90 percent of all of the company's sock manufacturing.

"The change represents a

conscious decision," says Steve Lineberger, vice president of Marketing. "John Bryan (the chairman of Sara Lee Corporation) told shareholders a few years ago that Sara Lee's business is building brands.

Adams-Millis is doing exactly that, and in doing so we're changing the focus of the entire industry."

Hanes and Hanes Her Way brands represent approximately 75 percent of Adams-Millis' annual sales. Adams-Millis has had selling responsibility for the Champion brand for less than two years, but it

will represent more than \$17 million in annual sales this fiscal year. Just My Size and L'eggs brand socks are even newer. The Spalding line is in the startup phase and is expected to make a significant contribution to sales during the next two years.

"When Sara Lee acquired Adams-Millis in 1988, we brought a sock-making capability to their branded business," Lineberger says. "Sara Lee's

strategy is to market directly to end consumers, not to the retailer. While Sara Lee brings the customer into the store, most sock companies rely on the retailer to attract the customer."

Although Adams-Millis is the undisputed sales leader in the sock industry, there are approximately 300 other companies in the business that have anywhere from a fraction of

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*Just my Size*

**Champion**  
SOCKS

**SPALDING**  
ATHLETIC APPAREL  
EQUIPMENT YOU WEAR

## A Revolution in Socks

Adams-Millis is revolutionizing the sock industry with its packaged-goods approach to sales and marketing.

During the last two years, Adams-Millis has begun conducting extensive research to determine what consumers like and want in their socks. It's a different approach for the company, and the emphasis is new to the sock industry.

"We're not just throwing things against the wall to

see what will stick," says Steve Lineberger, vice president of Marketing. "We go to consumers and ask them what they want in a sock. Then we develop products that meet those characteristics and ask consumers to test them. Their comments help us determine changes to make and how to position the product."

Extensive research went into the development of the several new lines of Adams-Millis socks:

Champion Sports Specific™, Champion Colors™, Hanes Cool Comfort™, Hanes Heavyweight™ and Just My Size™.

"It's important to understand consumers' interests and what drives their purchases. We can take that knowledge to the retailers to help them sell our socks," Lineberger says. "We believe this approach will redefine the category and create more consumer interest in socks."

## Champion Offers Sports Specific Line

The new premium line of Champion™ Sports Specific socks delivers features that meet the performance demands of five of the top participatory sports — court activities, running/walking, cross training, aerobics and basketball.

The socks will be available in department, sporting goods and sport specialty stores beginning in June.

Among the benefits found in the overall line are: Cushion Max™ sports specific cushioning systems for maximum comfort and protection from impact; technically constructed arch supports for the areas of the feet undergoing the most motion; natural fiber based blends, predominantly cotton with an acrylic splice yarn to wick away moisture; spandex for comfort and long

wear; and Smooth-stitch™ toe seams to reduce friction and blistering.

The two arch support systems employ either a waffle weave for a tighter compression to make the sock adhere to the foot, or a ribbed arch support that reduces blistering by minimizing friction on the bottom of the foot.

"Currently, athletic socks comprise nearly one-fourth of the dollar share of the total sock market and we expect that growth to continue," said Lynn Fox, marketing manager at Adams-Millis.

"In addition, the interest in sports specific merchandise has reached an all-time

high. Our research with consumers show that they perceive the sports specific sock market to be overly complicated with so many different styles. They told us that extending the Champion brand name to a simple and clearly defined

sock program is a natural," she said.

Adams-Millis designed a concise sock program to avoid the confusion of shopping a large array of styles. Each sock silhouette complements the biomechanics of its sport.

## Spalding Presents New Opportunity

For anyone who has ever caught a baseball, spiked a volleyball or sliced a golf ball, the Spalding name means sport.

And, beginning in January, it also will mean the comfort of Adams-Millis athletic socks.

Sara Lee Knit Products has won the rights to the Spalding name and will become the master licensee for all Spalding apparel cat-

egories. A broadened line of sports apparel will be introduced over the next few years. Adams-Millis will produce the white athletic sock lines in Mount Airy and Barnwell.

"For Adams-Millis, it provides an entry into the athletically-inspired sock market," said Steve Lineberger, vice president of Marketing. "It complements our Hanes men's and boys' lines that we now have in place, and it will help us compete more effectively with Wilson at retail."

## Champion's Color Splash

Adams-Millis is attempting something that some observers probably thought impossible: adding a fashion statement to white athletic sock styling in the new Champion Colors line.

Champion Colors offers fashionable styles, youthful graphics and popular silhouettes to embrace the more casual lifestyles and fitness consciousness of the day.

The socks are offered in crew, high-top, quarter and tube in combinations of three colors — white, black and silver gray — with the high-top and quarter also available in denim. The Champion name and red and blue logo are prominent on all of the socks.



Champion™ Sports Specific socks reflect the trend of athletic apparel that meets the needs of particular sports.