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NIKE RAMPS UP VIDEO-GAME PRODUCT PLACEMENTS

Signs Largest Such Deal With Take-Two Interactive

By Marc Graser

LOS ANGELES -- Nike is stepping up its efforts in the video-game arena.

The sports apparel giant has inked its largest integration deal ever with a video-game publisher, partnering with Take-Two Interactive Software to integrate its brand into the 2K Sports basketball franchise NBA 2K6, expected to be released in the fall for the PlayStation 2 and Xbox.

(Photo and caption: Nike's deal provides marketing muscle for game publisher Take-Two Interactive).

The deal, which will heavily promote Nike's line of shoes, including Jordan and Converse, is the latest move by a major marketer to tap into the \$10 billion-a-year video-game business and target gamers with their brands' messages.

Serious marketing muscle

At the same time, the partnership provides 2K Sports with serious marketing muscle to promote its basketball franchise -- which until now has been promoted under the ESPN banner. Take-Two recently lost the ESPN license to its much bigger rival Electronic Arts, and renamed ESPN Videogames to 2K Sports.

Nike will take in-game advertising to another level in NBA 2K6.

In standard gameplay mode, over 200 athletes will wear the Nike shoes they normally wear on the court in real life. Shaquille O'Neal is the game's cover athlete.

The game will also integrate the company's popular Web-based Nike iD shoe customization software, which enables users to design and personalize shoes that can be

worn by players in the game.

In the game's "streetball mode," players advance through challenges and earn a new pair of Nike basketball shoes with each win. Each pair that's earned is added to a Nike-branded shoe locker. Each shoe is classified based on Nike's Flight, Force and Uptempo styles and enhances the performance of on-screen athletes when they wear them.

To launch new shoes

Nike and 2K Sports will launch new shoes during the NBA season for exclusive use in NBA 2K6. As the season progresses, secret codes will be released, enabling players to unlock new Nike shoes.

"Every time you pick up and play the game, you will see Nike shoes," said Matt Atwood, director of public relations for San Rafael, Calif.-based 2K Sports.

In previous versions of the game, Nike solely appeared on signage; its shoes were also worn by the game's digital athletes.

"Partnering with an industry leader like 2K Sports allows us to deliver new and rich experiences with the Nike brand and also to provide more authentic gameplay for the consumer," said Ralph Greene, U.S. basketball brand director, Nike.

Nike isn't the only advertiser that's integrated into NBA 2K6.

Nestle and Gatorade

Nestle USA's PowerBar will use the game to promote its new line of Triple Threat energy bars, serving as the title sponsor of the game's replay sequences.

Meanwhile, Gatorade will appear on signage on the sidelines.

Most video-game publishers typically rely on ads in gaming magazines, guerilla marketing and word of mouth to promote their titles. Campaigns are mostly targeted to hard-core gamers.

But expanded relationships with major advertisers like Nike could change that and greatly benefit Take-Two as it takes on Electronic Arts' NBA Live franchise.

Nike will promote NBA 2K6 through traditional print and TV ads and displays at its Nike Town stores, as well as in other retail outlets. Additionally, the company will promote the title through inserts in shoe boxes when customers order shoes online, and co-promote the game with 2K Sports at the annual NBA All-Star event. Nike will also create a collector's edition shoe, based on the game, that will be handed to influencers and sold to sneaker enthusiasts. Shoes will come bundled with the game.

Online promotions

Additionally, Nike will push the title through Nikebasketball.com. The NBA will also push the game on NBA.com throughout the upcoming basketball season.

Neither Nike nor Take-Two would disclose financial terms of the deal, but in addition to contributing its own marketing dollars, Nike is said to have helped offset the game's production costs.

The relationship is expected to expand into a multiyear pact, which could involve Nike's integration into future installments of the basketball game, as well as other sports titles from 2K Sports.

2K Sports said its eager to strike similar deals with other advertisers.

"This relationship is hugely beneficial for us because Nike is such a prevalent brand," Mr. Atwood said. "We like to have partners, but for us, it's about enhancing the game play. If you're going to do something with advertising, it needs to be relevant, fun to the consumer."