

BUSINESS

Nike surf products folded into Hurley brand

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Nike Inc. has spent years trying to get a foothold in the surf world, but the company shifted gears Tuesday and folded its surf products into its Hurley division.

Nike issued a statement Tuesday night saying the company will focus its efforts on skateboarding and snowboarding, while leaving Hurley to focus on surf gear and “partnering with some of the world’s top surf athletes.”

Surf industry watchers said the changes could be positive for Costa Mesa-based Hurley – which Nike bought in 2002 – with more resources going toward the growth of the surfwear company.

“By better leveraging Nike Inc.’s resources with Hurley’s authenticity and deep commitment to innovation, we are confident we can help grow the sport and create exciting experiences for athletes, consumers and retail partners,” Hurley CEO and founder Rob Hurley said in an email. “It could not be more suited and

After Nike bought Hurley, the sports giant launched Nike Surfing, an apparel line focused on men's boardshorts, T-shirts, hoodies and sweatshirts. Nike opened three stores – Salvation in Irvine and Malibu and 225 Forest in Laguna Beach to carry Nike 6.0, the umbrella name for Nike's action sports divisions, Hurley and Converse.

Similarities have cropped up in some products. Nike's Legacy Collection boardshorts, for example, feature water repellency technology called Hydra Void. The hydrophobic technology in Hurley's Phantom Fuse boardshorts is called DWR, short for durable water repellency.

Hurley is a well-known brand among surfers, but Nike Surfing isn't, said Marie Case, managing director of Board Trac, a Trabuco Canyon-based marketing and research firm specializing in action sports industry.

"Nike has never shown up in the boardshort categories in our studies," Case said. "Hurley always ranked."

Nike's decision is a smart move because it's likely a consolidation of resources, Case said.

Nike reported \$20.9 billion in revenue at the end of fiscal 2011, with Hurley contributing \$252 million to that figure, according to Nike's website.

The changes point to the difficulty that major action sports brands have gaining traction in the tight surf industry.

"It is very difficult to enter into the realm of being an authentic surf brand when you're a big mainstream company. I think that's why they are putting their money into Hurley," said Dino Andino, father and manager of San Clemente's Kolohe Andino, who is the youngest surfer on the ASP World Tour. His son is a member of the Nike surf team.

Industry insider Peter "PT" Townend pointed out that the natural evolution of the sport in recent years has been big companies buying surf companies – many built out of garages here in Orange County.

Costa Mesa-based Volcom is owned by French apparel company PPR, which also owns brands including Gucci and Yves Saint Laurent. Cypress-based Vans is owned by VF Corp. out of North Carolina.

But the big brands attempting to have a stake in surfing – as Nike did the past few

“One of the things any of these companies struggle with is just the nature of how the iconic surf brands have developed. They’ve always developed from the saltwater,” Townend said. “And it’s hard to get credibility and legitimacy in the marketplace unless you were born in the saltwater.”

In addition to launching a surfing brand, Nike for the past few years has invested heavily in surf culture, sponsoring contests in Orange County and adding the Nike swoosh logo to some of the best surfers in the world to represent the brand. In September, Nike pulled out from the US Open of Surfing in Huntington Beach, after investing in the big-budget event that drew nearly 1 million to the sand over nine days for the past three summers.

“They’re still going to be involved in surfing because they own Hurley,” said Townend, surfing’s first world champion. “Instead of waging the war on two brand fronts, they made a decision that they are going to put all their horses into Hurley, at least when it comes to surfing.”

The change also is expected to affect Hurley’s surf team, with Nike’s team riders moving to the sister surfwear brand. “Hurley just went from having an average surf team, to arguably the best surf team in the world,” Townend said.

Dino Andino said the news of the changes came as a surprise, but that his family is excited about working with founder Bob Hurley.

“It’s a pretty organic shift,” Andino said. “It’s sad because a lot of guys really liked Nike, but they are still part of the family. We’re blessed to be part of the Hurley team. They are great guys, they know what they are doing, and they make great products.”

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Laylan Connelly started as a journalist in 2002 after earning a degree in journalism from the University of Southern California. Through the years, she has covered several cities for The Orange County Register, starting as a beat reporter in Irvine before focusing on coastal cities such as Newport Beach, Dana Point and Laguna Beach. In 2007, she was selected for a prestigious Knight New Media fellowship focusing on digital media at UC Berkeley, where she learned skills to adapt to the ever-changing online landscape. Using a web-based approach, she turned her love for the ocean into a full-time gig as the paper’s beaches reporter. The unique beat allows her to delve into coastal culture by covering everything from the countless events dotting the 42 miles of coastline, to the business climate of the surf industry, to the fascinating wildlife that shows up on the shores. Most importantly, she takes pride in telling stories of the people who make the beaches so special, whether they are surfers using the ocean to heal, or the founders of major surf brands who helped spawn an entire culture, or people who tirelessly fight to keep the coast pristine and open for all to enjoy. She’s a world traveler who loves to explore the slopes during winter months or exotic surf spots around the globe. When she’s not working, or maybe while she’s researching a story, you can find her longboarding at her favorite surf spots at San Onofre or Doheny.

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