

# CANNON GOLF

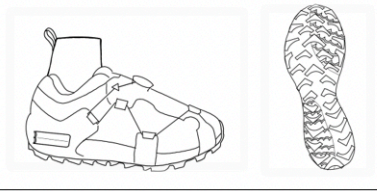






Paul Bobinger, Drew Burns, Hikaru Minami,  
JoJo Redman, Victoria Scott

Fall 2022

# TABLE OF CONTENTS

<b>PRODUCT BRIEF</b> .....	<b>2</b>
<b>BRANDING</b> .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>Brand Standards</b> .....	Error! Bookmark not defined.
<b>Brand Typography</b> .....	Error! Bookmark not defined.
<b>Color Palette</b> .....	Error! Bookmark not defined.
<b>CONSUMER RESEARCH</b> .....	<b>3</b>
<b>Qualitative Data Introduction:</b> .....	<b>3</b>
1. Rank the swings that cause you to slip the most? .....	4
2. How many times do you slip when swinging on average on an 18-hole course?.....	4
3. How much golf do you play in these conditions? .....	5
4. How much do you slip while swinging if conditions are dry?.....	9
5. How much do you slip while swinging if conditions are wet? .....	9
6. What is at fault when you slip while you slip in dry conditions? .....	10
7. What is at fault when you slip in wet conditions? .....	11
8. Which way do you fall while swinging? .....	12
<b>FINANCIAL DATA AND ANALYSIS</b> .....	<b>13</b>
<b>Introduction</b> .....	<b>16</b>
<b>Market Research</b> .....	<b>17</b>
<b>Five-Year Plan</b> .....	<b>18</b>
<b>Projections: CAGR</b> .....	<b>20</b>

# PRODUCT BRIEF

<p><b>COMPANY/BRAND:</b> CANNON GOLF  <b>PRODUCT NAME:</b> ANCHOR SL <b>GENDER:</b> Unisex  <b>TIER:</b> Core Performance</p>		<p><b>PRODUCT CREATION TEAM:</b>                  Development: Paul Bobinger, Drew Burns                  Design: JoJo Redman, Hikaru Minami                  Marketing: Victoria Scott</p>																										
<p><b>PRODUCT</b></p> <p>The ANCHOR SL golf shoe is tailored for wet playing conditions featuring a waterproof upper and combines a spikeless traction sole with enhanced stability in the restrictive upper and minimal midsole.</p>																												
<p><b>CONSUMER</b></p> <p>He is an outdoorsy 22- to 35-year-old young professional, who enjoys spending time outside in any weather. He picked up golf about a year ago and is ready to elevate his game to the next level. He always plays with a group of friends that prefers to walk the golf course. Therefore, versatility of his shoes is important to him as he keeps them on when hanging out at the clubhouse afterwards. He wants to look fashionable on and off the course while keeping his feet dry and performing great.</p>																												
<p><b>HIGHLIGHT THE BUSINESS OPPORTUNITY/PROBLEM YOU ARE SOLVING/BIG IDEA</b></p> <p>Golfers are slipping when hitting the ball in slick conditions inevitably adding strokes. Currently, there is no footwear product on the market that features satisfactory waterproof upper and great grip and traction in wet conditions for an affordable price.</p>		<table border="1"> <thead> <tr> <th>Competitor</th> <th>Model</th> <th>Waterproof</th> <th>Traction</th> <th>Stability</th> </tr> </thead> <tbody> <tr> <td>ECCO BIOM G4</td> <td></td> <td>●●●</td> <td>●●●</td> <td>●●●</td> </tr> <tr> <td>FootJoyPro SL</td> <td></td> <td>●</td> <td>●</td> <td>●●●</td> </tr> <tr> <td>SQAIRZ Speed</td> <td></td> <td>●</td> <td>●</td> <td>●●●</td> </tr> <tr> <td>CANNON ANCHOR SL</td> <td></td> <td>●●●</td> <td>●●●</td> <td>●●●</td> </tr> </tbody> </table>		Competitor	Model	Waterproof	Traction	Stability	ECCO BIOM G4		●●●	●●●	●●●	FootJoyPro SL		●	●	●●●	SQAIRZ Speed		●	●	●●●	CANNON ANCHOR SL		●●●	●●●	●●●
Competitor	Model	Waterproof	Traction	Stability																								
ECCO BIOM G4		●●●	●●●	●●●																								
FootJoyPro SL		●	●	●●●																								
SQAIRZ Speed		●	●	●●●																								
CANNON ANCHOR SL		●●●	●●●	●●●																								
<p><b>COMPANY/BRAND:</b></p> <ul style="list-style-type: none"> <li>Product Name: Anchor SL</li> <li>Seasonal Forecast: Year-round, more winter</li> <li>Lifecycle: TBD</li> <li>Distribution: Mostly wholesale</li> </ul>	<p><b>COSTING/PRICING:</b></p> <ul style="list-style-type: none"> <li>FOB Target: \$63</li> <li>Margin: 65% <del>70%</del> 40% Wholesale</li> <li>Retail: \$180</li> <li>Wholesale: \$105</li> </ul>	<p><b>PRODUCT CLASSIFICATION:</b></p> <ul style="list-style-type: none"> <li>Footwear: Golf shoe</li> </ul>																										
<p><b>PRODUCT SPECS: (Footwear)</b></p> <ul style="list-style-type: none"> <li>Fit: True to size, Snug comfortable fit</li> <li>Size range: Men's US 7-13 and Women's US 5-11</li> <li>Upper Materials:                             <ul style="list-style-type: none"> <li>GORE-TEX</li> <li>Leather</li> <li>Knit Sock liner</li> </ul> </li> <li>Midssole Materials:                             <ul style="list-style-type: none"> <li>Rubber (TPU)</li> </ul> </li> <li>Outsole Materials:                             <ul style="list-style-type: none"> <li>Rubber (TPU)</li> </ul> </li> <li>Other materials:                             <ul style="list-style-type: none"> <li>BOA Lacing System</li> <li>Caterpy Laces</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Colorways:                              </li> <li>Silhouette:                             <ul style="list-style-type: none"> <li>Wide Base</li> <li>Fashionable Sneaker Look</li> </ul> </li> <li>Logo:                             <ul style="list-style-type: none"> <li>Single Needle Embroidery of line </li> <li>Colored tongue tag </li> </ul> </li> </ul>																										
<p><b>THE PRODUCT-FEATURES:</b></p> <ul style="list-style-type: none"> <li>Stabilizing midsole with low heel drop</li> <li>Lacing system to restrict lateral foot movement</li> <li>Spikeless outer sole with traction design</li> <li>Waterproof upper and high ankle sock liner</li> <li>Distinguishing design element tee pin clip</li> </ul>		<p>Zero-Drop Technology with Spikes!</p> 																										
<p><b>COMPETITION:</b></p> <p>ASICS, New Balance, Skechers, NIKE Inc., Adidas, PUMA, Under Armour, Callaway, Ecco, SQAIRZ, FootJoy</p> <p>The average golf shoe sells for \$150, but waterproof models range from \$150 to \$250.</p> <p>ANCHOR SL will mostly be sold in wholesale environment of golf clubhouses and specialty stores.</p>																												

## CONSUMER RESEARCH

### Qualitative Data

#### Introduction

Once we narrowed our insight, we decided to launch a survey to gain more information on our target consumer. On November 14, 2022, we launched our first survey compiling data focused on how much golfers slip while swinging, and what conditions they play in. We decided that we needed supplemental data to support our insight, so we launched a supplemental survey. On November 28, 2022, we launched our second survey, diving deeper into when and where golfers slip, and what they believe the reasoning is.

We believe that sharing this information is vital to helping you as investors understand this consumer need.

Each section is labeled with a reference number and a letter. The questions are sorted by chronological relevancy. If the number is followed by the letter 'A', then it is data reflecting all survey participants. If the number is followed by the letter 'B', then the data pulled reflects our Target Consumer (ages 18-35.) For question 8a and 8b regarding slip direction, respondents could select multiple answers and each selection was given equal weight.

Please let us know if you have any questions with our data. Any sharing of the following data without consent from CANNON GOLF's Executive Leadership Team will frowned upon.

1. Rank the swings that cause you to slip the most?

a.

When are your feet slipping while swinging the most? (1- most slipping; 4-least slipping) n=21				
	1	2	3	4
Drive	95.24%	0.00%	4.76%	0.00%
Approach shot	0.00%	95.24%	4.76%	0.00%
Chip	4.76%	4.76%	90.48%	0.00%
Putt	0.00%	0.00%	0.00%	100.00%

b.

When are your feet slipping while swinging the most? (1- most slipping; 4-least slipping) n=9				
	1	2	3	4
Drive	100.00%	0.00%	0.00%	0.00%
Approach shot	0.00%	88.89%	11.11%	0.00%
Chip	0.00%	11.11%	88.89%	0.00%
Putt	0.00%	0.00%	0.00%	100.00%

2. How many times do you slip when swinging on average on an 18-hole course?

a.

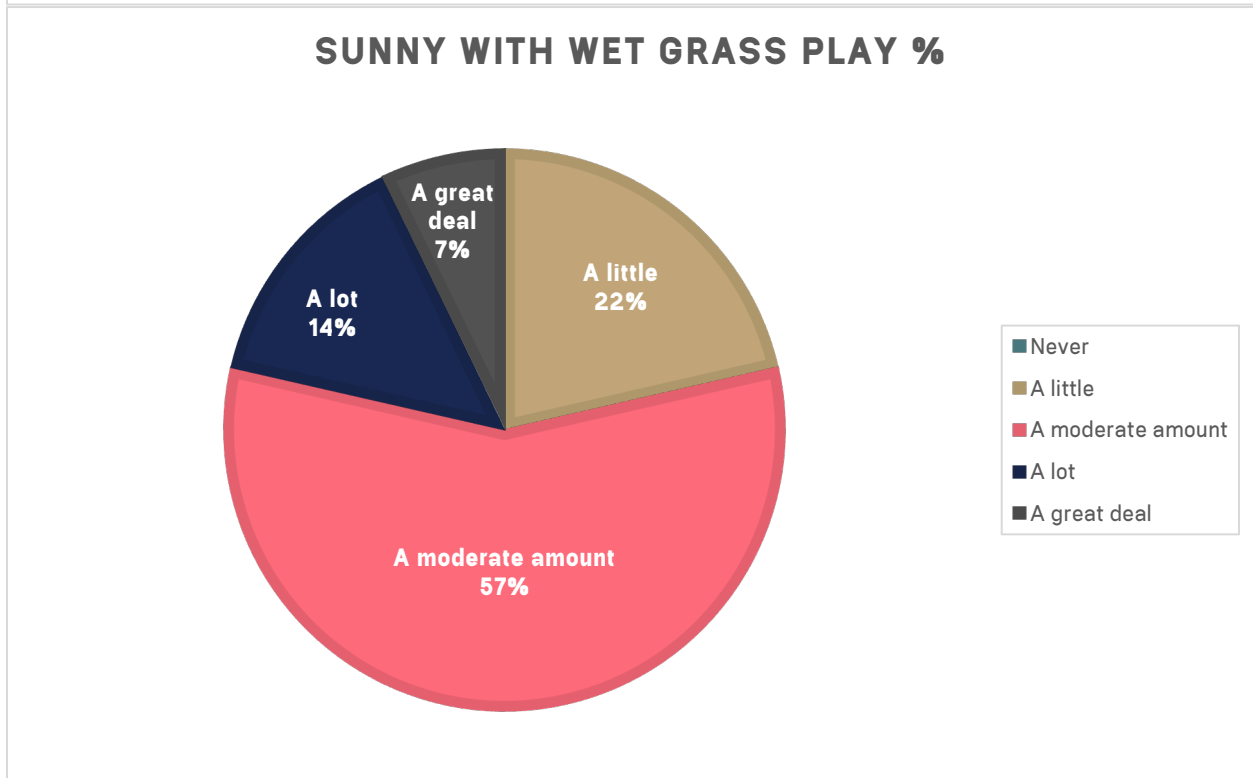
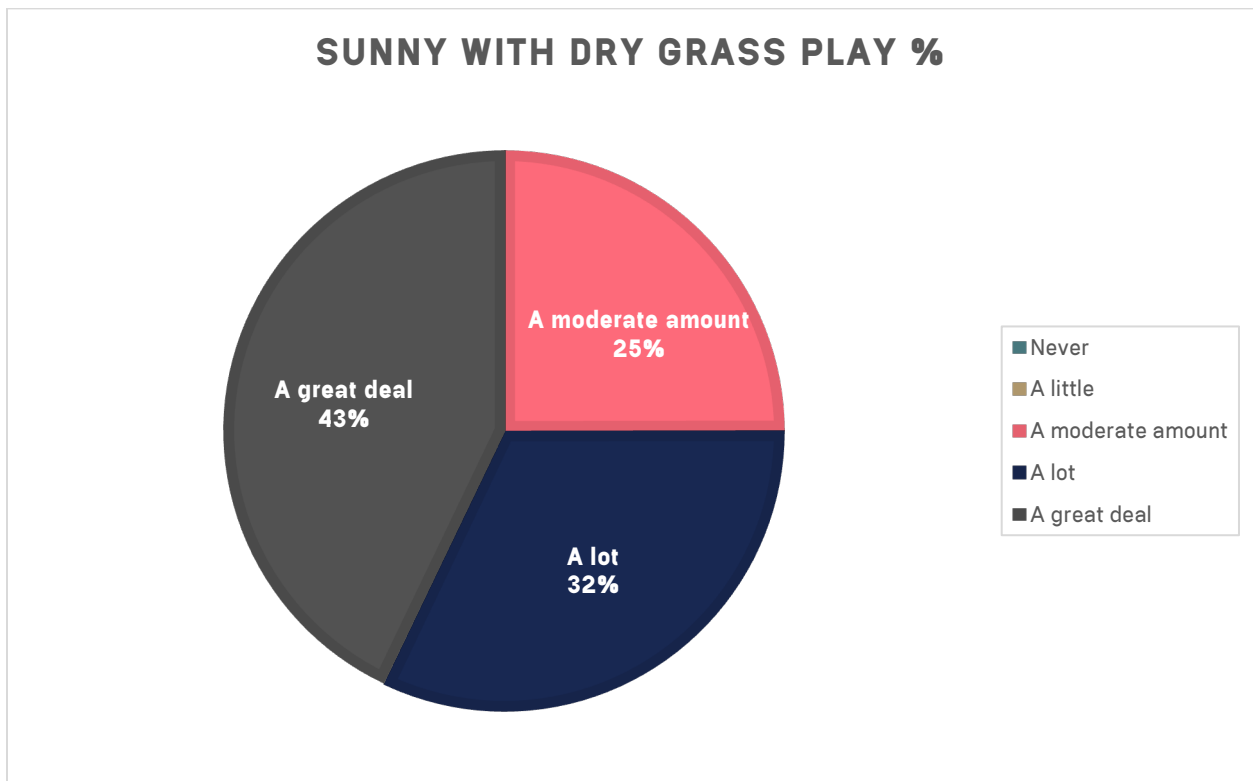
How many times do you slip when swinging on average on an 18-hole course? n=35				
Minimum	Maximum	Mean	Std Deviation	Variance
0	10	2.69	2.49	6.22

b.

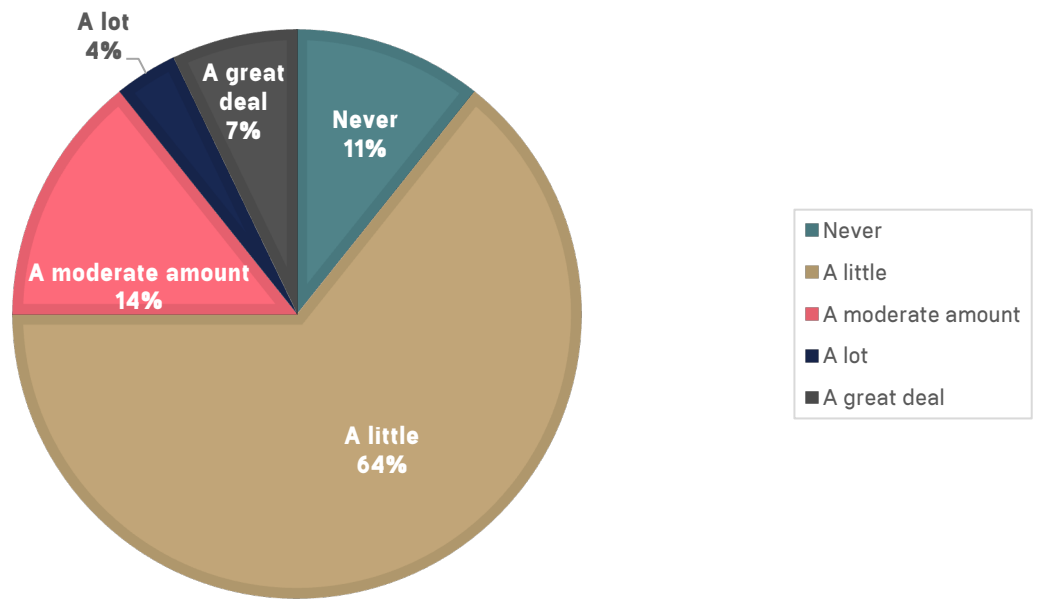
How many times do you slip when swinging on average on an 18-hole course? n=25				
Minimum	Maximum	Mean	Std Deviation	Variance
0	8	2.68	2.22	4.94

3. How much golf do you play in these conditions?

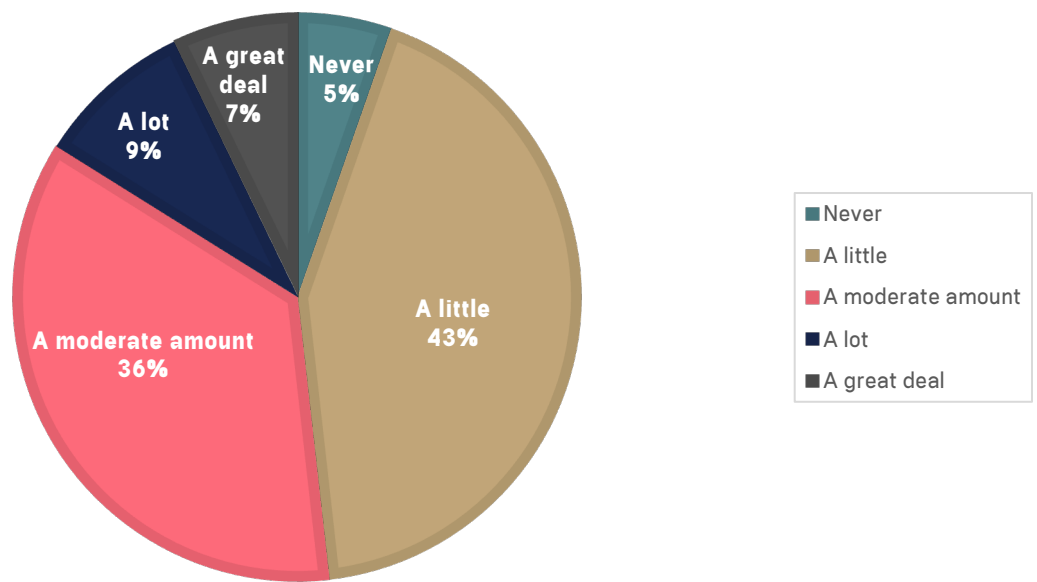
a.  
n=28



### RAINY PLAY %

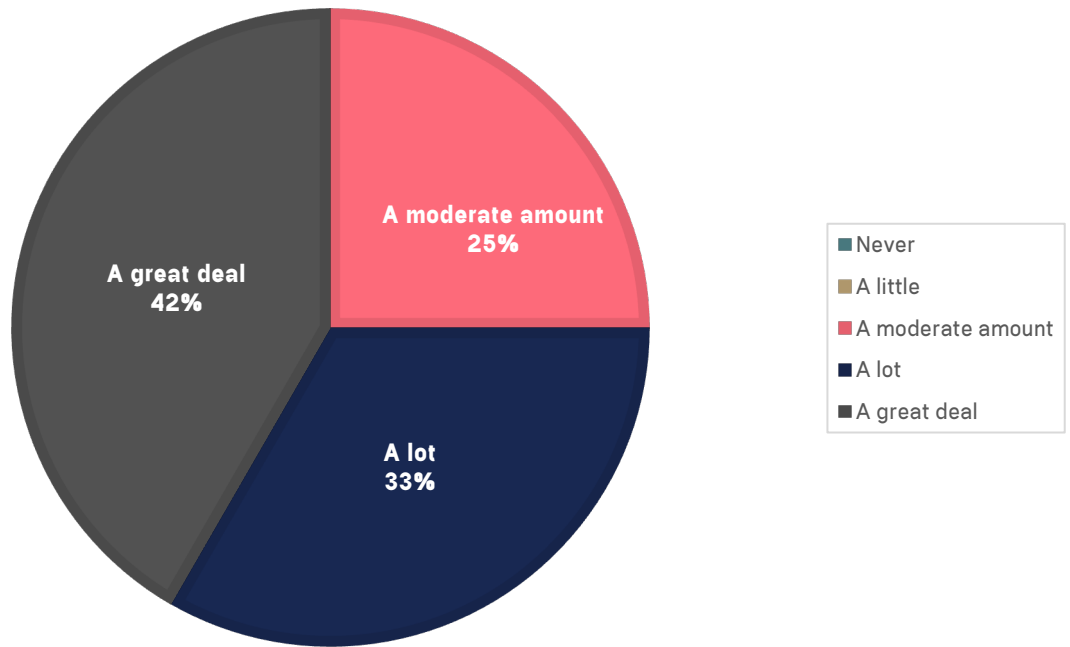


### WET GRASS PLAY %

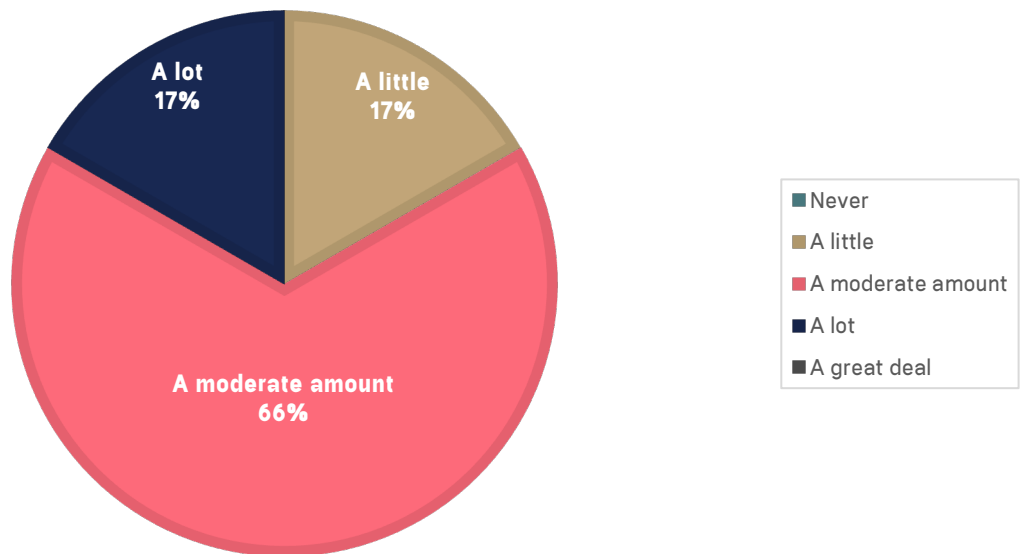


b.  
n=12

### SUNNY WITH DRY GRASS %

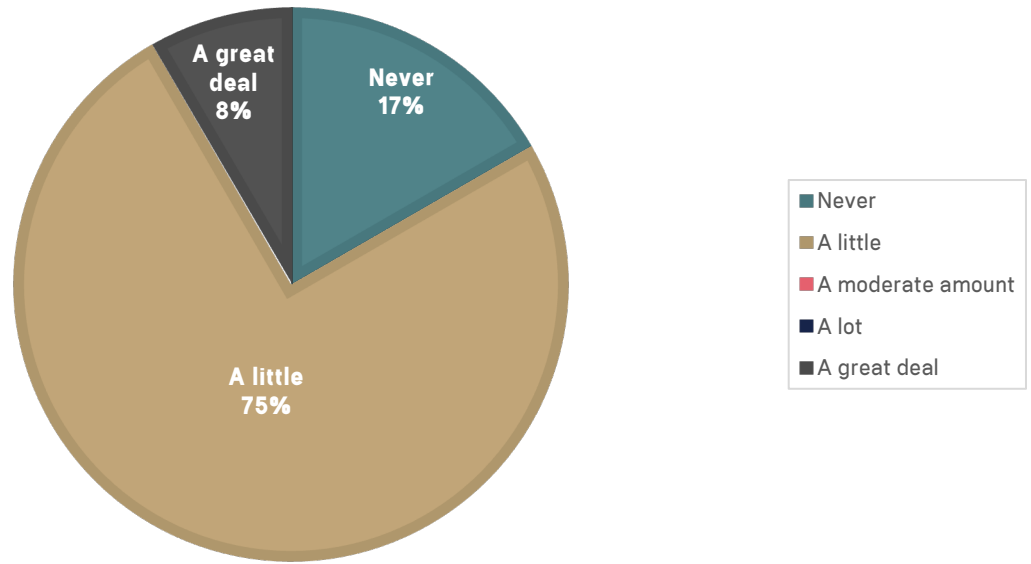


### SUNNY WITH WET GRASS %

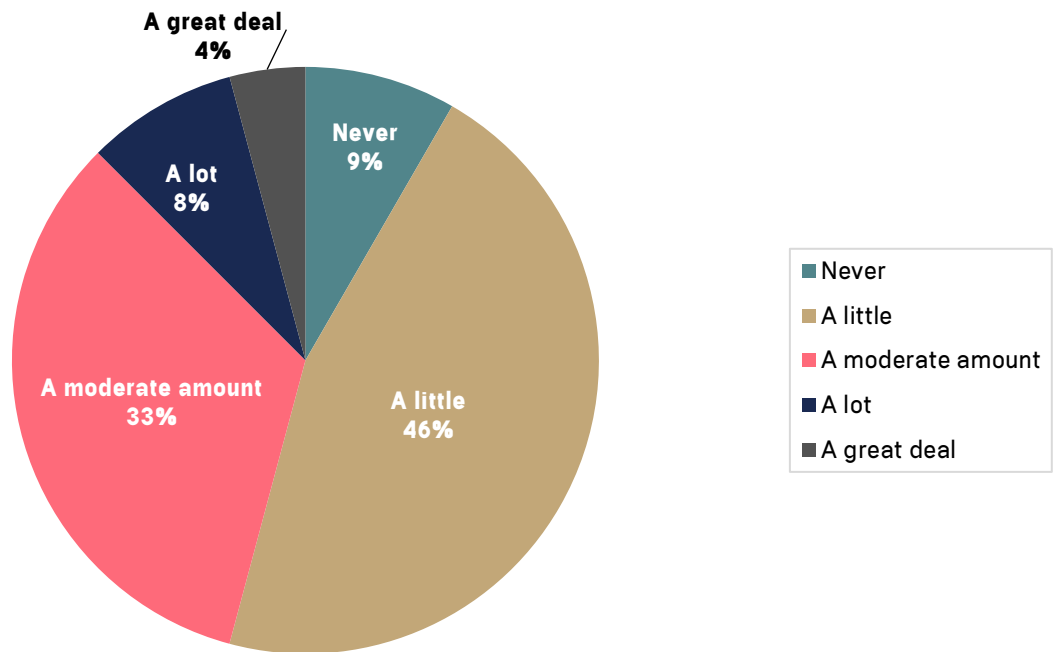




### RAINY PLAY %



### WET GRASS PLAY %



## 4. How much do you slip while swinging if conditions are dry?

a.

How much do you slip while swinging if conditions are dry? n=26	
	Distribution %:
Never	64.29%
A little	28.57%
A moderate amount	3.57%
A lot	3.57%
A great deal	0.00%
Total percentage of golfers slipping when it's dry:	35.71%

b.

How much do you slip while swinging if conditions are dry? n=12	
	Distribution %:
Never	64.29%
A little	28.57%
A moderate amount	3.57%
A lot	3.57%
A great deal	0.00%
Total percentage of golfers slipping when it's dry:	35.71%

## 5. How much do you slip while swinging if conditions are wet?

a.

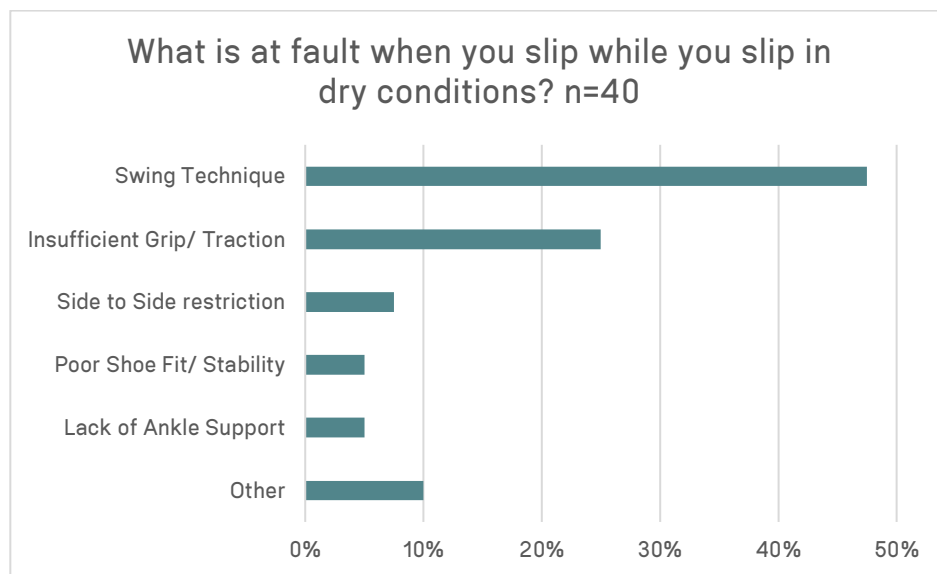
How much do you slip while swinging if conditions are wet? n=26	
	Distribution %:
Never	25.00%
A little	50.00%
A moderate amount	17.86%
A lot	7.14%
A great deal	0.00%
Total percentage of golfers slipping when it's wet:	75%

b.

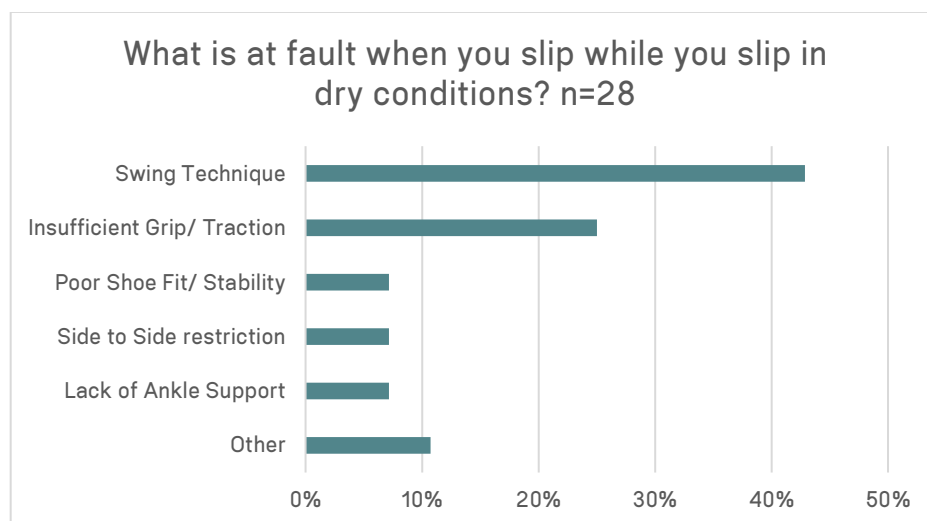
How much do you slip while swinging if conditions are wet? n=12	
	Distribution %:
Never	25.00%
A little	66.67%
A moderate amount	0.00%
A lot	8.33%
A great deal	0.00%
Total percentage of golfers slipping when it's wet:	
	75%

6. What is at fault when you slip while you slip in dry conditions?

a.

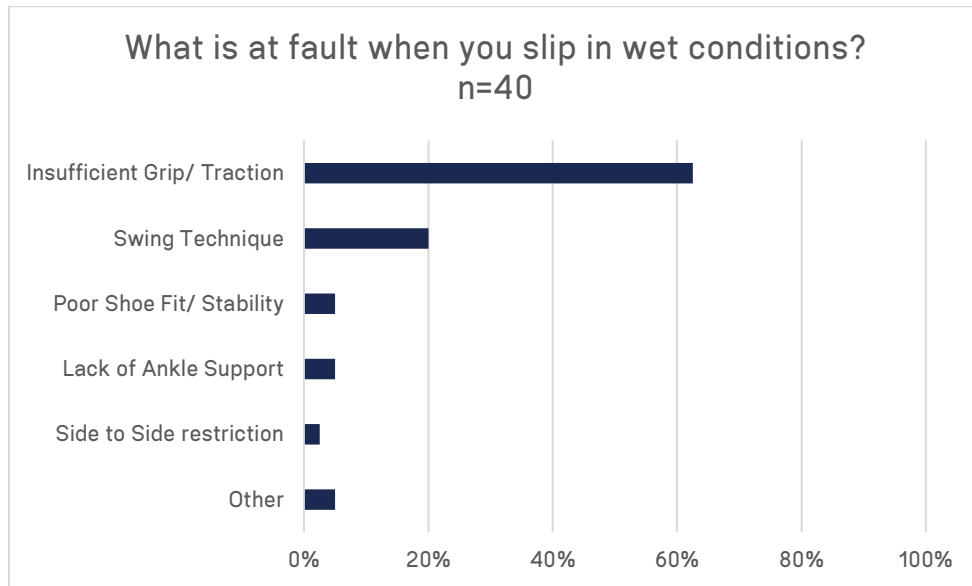


b.

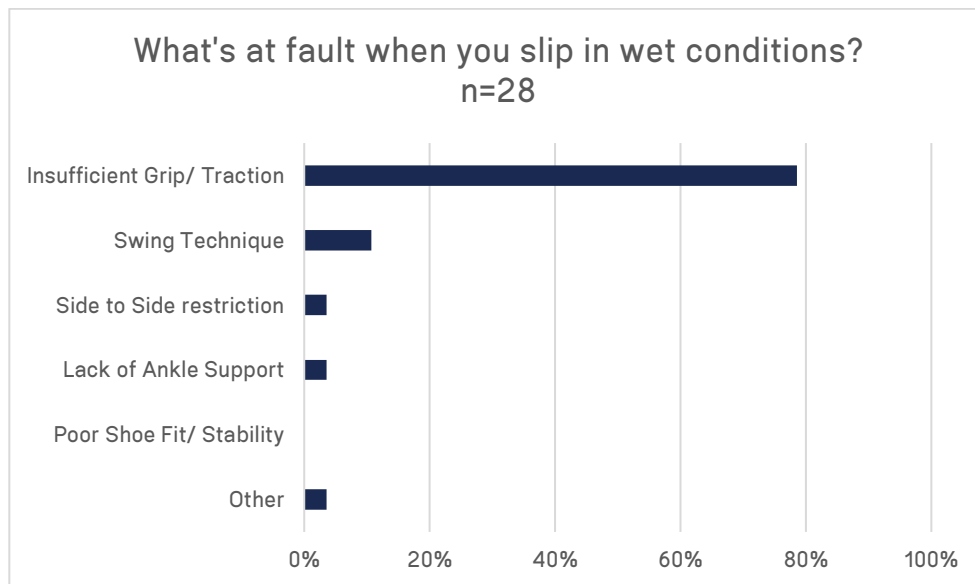


7. What is at fault when you slip in wet conditions?

a.

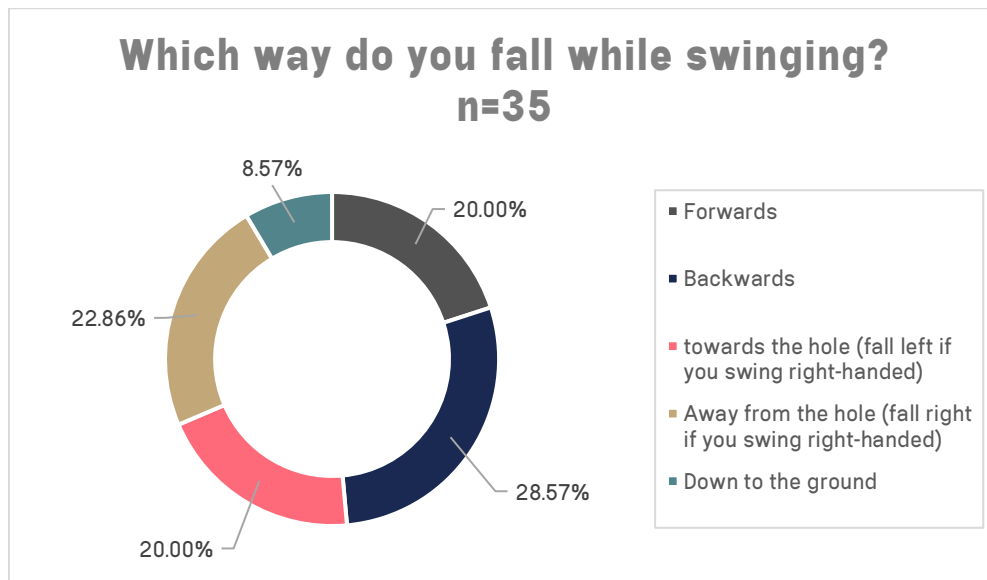


b.

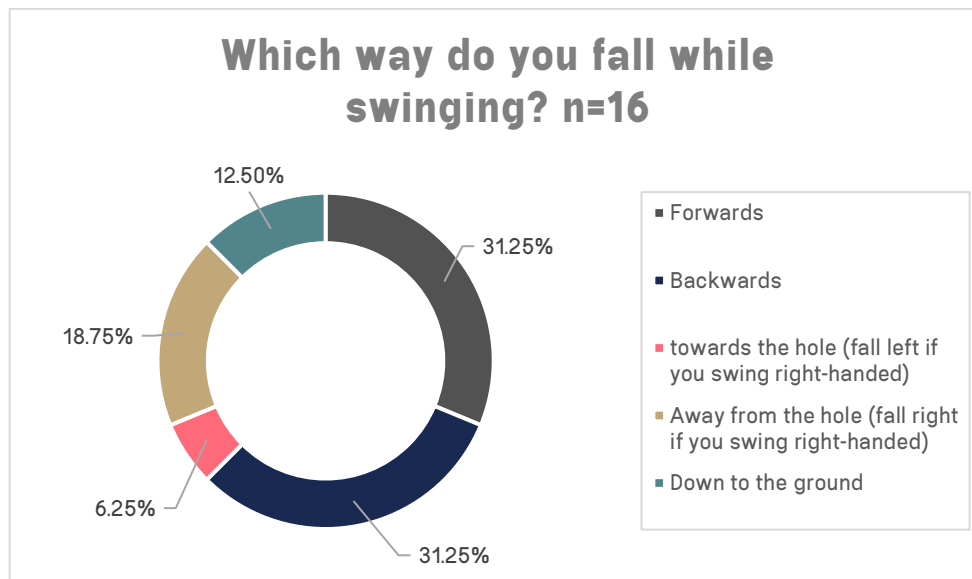


8. Which way do you fall while swinging?

a.



b.



## BRANDING

### Brand Standards

Do's

# CANNON GOLF

## Brand Standards

Do's:

1. Display Logo in Landscape only
2. Only display logo in branded colors and only in these specific variations
3. Always use our signature Haystack as the counter in the letter 'A' on both the wordmark and logo
4. Only display wordmark in brands color palette
5. Display wordmark under logo or let it stand alone



**CANNON GOLF**

**CANNON GOLF**

**CANNON GOLF**

**CANNON GOLF**

**CANNON GOLF**

**CANNON GOLF**

**CANNON GOLF**

Don'ts

# CANNON GOLF

## Brand Standards

Don'ts:

1. Display Logo/Word Mark on a slant or turned to the side
2. Change the proportions of the logo and wordmark
3. Display the wordmark horizontally or above the logo
4. Display brand logo or wordmark in non-branded colors
5. Display wordmark without signature or haystack in 'A'



## Brand Typography

### 1) UBIQUITOUS (BOLD)- HEADER

- **TYPEFACE KEPT IN ALL-CAPITALS. REPRESENTS THE SHEERLY CUT ROCKS AT CANNON BEACH AT THE END OF EACH OF ITS STROKES**
- **SANS SERIF FONT**
- **ONLY TO BE USED IN ITALICS FOR STAND-ALONE NUMBERS**

### 2) Afetir- Body

- A softer web friendly font that represents keeping your cool when stakes are high on the course
- Sans Serif Font
- Never Italicized. Bolded if a secondary header is needed.

## Color Palette



#### **PNW Pacific Blue**

#192851

Inspired by the deep blue of the Pacific

#### **Shark Gum Pink**

#FF6978

Inspired the inside of a shark's mouth- last sighting at the beach July 2017

#### **Albacore Scales**

#5085B

Inspired by the one of the most common local fish: Albacore Tuna

#### **Basalt Tan**

#C2A878

Inspired by the type of mineral that makes up Haystack Rock

#### **Oregon Coastal Gloom**

#525252

Inspired by the dark skies constantly looming over the beach



## FINANCIAL DATA AND ANALYSIS

### Introduction

Our financial documents provide a three-part approach to display our corporation's financial projections for the 2024-2029 fiscal years.

The first section as shown through the Market Research table reflects the annual sales in the golf footwear industry. It also analyzes the different types of classifications of golfers that we've established and the annual growth rate of the total population. This section also highlights our calculated predicted data for 2022 and 2023.

The second section dives deeper into our five-year plan, showing our predictive data from 2024 until 2029. We then build a projection of total SKUs and based off our pricing, our adjusted revenue per SKU, our 80% Wholesale and 20% DtC model, and our projected FOB to plan for the golf market. Our belief is that for every experienced golfer that buys our shoe, ten golfers with under five years of experience will purchase our product as well.

The final section looks at our growth rates. Using the CAGR formula we built projections for varying categories and time periods. We chose our time periods to match the three time periods that we believe are most valuable. 2016-2021 provides five valuable years of data to understand how the golf market was and how it handled COVID-19. 2022-2023 is based off our modeling throughout this upcoming 18-month production cycle. The final timetable represents our first five years of having our product being sold on the market.

## Market Research

<b>CANNON GOLF INDUSTRY MARKET RESEARCH</b>									
	2015	2016	2017	2018	2019	2020	2021	Projection Begins	
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Footwear Sales (millions)	\$ 249.9	\$ 246.9	\$ 247.1	\$ 251.4	\$ 257.0	\$ 262.3	\$ 265.8	\$ 270.2	\$ 274.1
Golf Participation (1+ round) (millions)	24.1	23.815	23.829	24.24	24.271	24.771	25.1	25.51	25.89
Beginner Golfers per year (millions)	x	x	2.6	2.6	2.5	3	3.2	3.36	3.58
Experienced Golfers per year (millions)	x	x	21.229	21.64	21.771	21.771	21.9	22.15	22.30
Annual growth rate (total population)	x	-1.2%	0.1%	1.7%	0.1%	2.1%	1.3%	1.7%	1.5%

### CANNON GOLF RESEARCH KEY

Text in Albacore Scales displays our formula-driven data calculations.

Text in Shark Gum Pink with white lettering displays our projected revenue per year totals bar

Text in Pacific Blue with white lettering displays our projected 5-year revenue total

## Five-Year Plan

**CANNON GOLF FIVE YEAR PROJECTION**

	Launch Year						2024-2029 sum
	2024	2025	2026	2027	2028	2029	
Footwear Sales (millions)	\$ 278.3	\$ 282.3	\$ 286.4	\$ 290.5	\$ 294.6	\$ 298.7	x
Golf Participation (1+ round) (millions)	26.28	26.66	27.05	27.43	27.82	28.21	x
Beginner Golfers per year (millions)	3.83	4.04	4.25	4.48	4.70	4.92	x
Experienced Golfers per year (millions)	22.44	22.62	22.79	22.96	23.12	23.29	x
Annual growth rate- total population (projected)	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%	x
Retail Price	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	x
Wholesale price	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	x
FOB Price and Taxes (7% Tax Oregon, 21% Tax USA, 3% tariffs, 5% labor)	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	x
Profit per SKU from Retail	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	x
Profit per SKU from Wholesale	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	x
Our Projected market ownership with Beginner golfers (%)	0.20%	0.25%	0.3%	0.35%	0.4%	0.5%	0.33%
Our Projected market ownership with Beginner golfers (\$ millions)	\$ 0.55	\$ 0.73	\$ 0.92	\$ 1.13	\$ 1.35	\$ 1.59	\$ 6.27
SKUs sold to beginners	3,068	4,039	5,106	6,271	7,522	8,853	34,859
Our Projected market ownership with experienced golfers (%)	0.030%	0.043%	0.045%	0.053%	0.060%	0.068%	0.05%
Our Projected market ownership with experienced golfers (\$ millions)	\$ 5.93	\$ 8.52	\$ 9.14	\$ 10.81	\$ 12.52	\$ 14.28	\$ 61.20
SKUs sold to experienced players	32,932	47,307	50,790	60,064	69,574	79,315	339,982
Projected Revenue per year (Million)	\$ 6.48	\$ 9.24	\$ 10.06	\$ 11.94	\$ 13.88	\$ 15.87	\$ 67.47
Total SKU's Sold	35,999	51,346	55,896	66,336	77,095	88,168	374,841



Projections: CAGR

# CANNON GOLF ANNUAL GROWTH RATES (CAGR)

	CAGR 2024-2029	CAGR 2016-2021	CAGR 2022-2023
Footwear Sales	1.43%	1.48%	1.80%
Golf Participation (1+ round)	1.43%	1.06%	1.38%
Beginner Golfers per year	5.11%	x	x
Experienced Golfers per year	0.74%	x	x
Our Projected market ownership with Beginner golfers (%)	17.6%	x	x
Our Projected market ownership with Beginner golfers (\$ millions)	23.6%	x	x
SKUs sold to beginners	23.6%	x	x
Our Projected market ownership with experienced golfers (%)	17.6%	x	x
Our Projected market ownership with experienced golfers (\$ millions)	19.2%	x	x
SKUs sold to experienced players	19.2%	x	x
Projected Revenue per year (Million)	19.6%	x	x
Total SKU's Sold	19.6%	x	x