

Team,

We recently closed the books on [Q3](#) and we're in the home stretch of fiscal year 2017. I'd like to take this opportunity to thank every one of you for your continued work, passion for the Brand, and commitment to driving our business every day. When we work as a team, we can accomplish great things together. And this DTC team is special.

While the industry and Nike continue to face challenges, in Q3, DTC drove solid growth as we continued to put a focus on serving the consumer personally and seamlessly. We achieved double-digit topline growth with revenue up 13% for DTC overall versus this time last year. Congratulations.

Let's take a look at some highlights from the quarter...

There are a few areas where we made an impact across the marketplace in Q3. During one of the most important times of the year for our business in North America, holiday, we outpaced growth compared to the rest of the industry and achieved 99% on-time orders via [Nike.com](#). And during the launch of the AJ11 Space Jam, thousands of units of this iconic footwear sold in just 14 minutes on SNKRS.

We also continued to have success with our targeted email campaigns for [Nike.com](#) through a cross-category effort which created triple-digit demand per email. We plan to roll out this offense to all geographies this quarter. We're also seeing strong success from our "flash sale" pilots and will continue to leverage these going forward. And finally, we saw the power of our apps with an increasingly significant percentage of total [Nike.com](#) demand in North America coming from Nike+ and SNKRS.

Following our successful launch of Nike Soho in November, we opened the highly anticipated Nike Miami this quarter, delivering the largest grand opening in North America store history. Congratulations to Head Coach Daniel Beliard and the entire Nike Miami team! Nike Soho and Miami mark another step in our journey to revolutionize the future of sport retail, and I'm so excited to see how we bring the services and experiences in stores like these to even more stores across our fleet.

We opened our first Nike Basketball and Jordan store in the EC Mall in Beijing, and elevated services like the Basketball Trial Zone, which is resonating with consumers and driving strong conversion.

In Q3, the Nike Stores Partnered team was laser focused on delivering strong service and conversion, helping to offset traffic challenges. They continue to empower the NSP athletes with strong training and focus on delivering best in class service. The team is working hard on plans for the upcoming opening of our first beacon concept in Russia with the launch of Nike Moscow this month. This door is an important part of our strategy to connect with consumers in this market as we prepare for World Cup 2018.

Nike Factory Stores continue to see strong traffic and conversion, contributing to our revenue results for the quarter. The team worked hard to prepare for critical retail moments like Holiday and the Chinese New Year. In fact, Western Europe set a record for conversion in the month of December, so their work really paid off. Additionally, we leveraged NFS to lead and drive excitement in the marketplace around key brand moments in North America like the Super Bowl and the NBA All-Star Game. And during Black History Month, Nike's Equality initiative came to life in our Community doors and was a source of pride for our athletes.

As we head in to the final months of FY17, my ask of you is to stay laser focused on the work that matters, edit to amplify, and continue to work together as a team. As Mark said in his [message](#) to employees, "We should be constantly looking for ways to elevate one another. One thing I know about this place is that, when we're all moving in one direction, there's no stopping us." I couldn't agree more.

Let's do everything we can to finish Q4 strong and Win the Year together. Thanks again for everything you do.

I always love hearing from you, especially those of you in the field, so please drop me [a note](#).

Heidi O'Neill
President, DTC