



# MainGate Inc.

## **GEARING UP FOR GAME DAY**

**Company:** MainGate Inc.  
**Address:** 7900 Rockville Road, Indianapolis  
**Telephone:** (317) 243-2000  
**Web site:** [www.maingateinc.com](http://www.maingateinc.com)  
**Management:** David Moroknek, president and CEO  
**Employees:** 285

**By Matt L. Ottinger**

**What they do:**

The official description: a full-service merchandise marketing company, producing branded apparel, headware and hard goods.  
 “We provide merchandise solutions for e-commerce, events, wholesale and stadium retail,” Moroknek clarifies.

**History:**

MainGate initially began in 1963, known then as Sport Service, in California. Its founder, Chick Saffell, was friends with Wally Parks, who launched the National Hot Rod Association (NHRA).

“One day (Parks) said he was thinking of selling merchandise at one of their events and asked (Saffell) if he’d like to do it,” Moroknek relays. “(Saffell) was very entrepreneurial and said, ‘Sure, I’ll try it.’ He drove a station wagon from California to Indianapolis for the U.S. Nationals and sold every shirt he had. From that day forward, we have been the only company to sell NHRA merchandise at every national event for 50 years; it’s one of the longest-standing partnerships in all of sports.”

Moroknek adds that Saffell passed away less than a year ago.

In the early 1980s, MainGate acquired a contract with the Indianapolis Motor Speedway. With NHRA races expanding to locations all over the country, company executives thought it would be better to have a more centralized office, so the company moved to Indianapolis. Now in its third building in the city, the business operates in 300,000 square feet on the city’s west side.

**Convenience is key:**

Outside of Indianapolis, the company also operates team-based facilities in Detroit, Minnesota and Washington, D.C. Impressive testimonials have resulted from its performance. For instance, Minnesota Vikings vice president and chief marketing officer Steve LaCroix offers, “We’ve found everything this company does is cutting edge. I think they’ve gotten the league’s attention.”

MainGate, which partners with the National Football League and some of its teams, holds the honor of being the only company in the country that’s earned a contract for Super Bowl merchandising three years in a

row, according to Moroknek.

“Our ability to be a one-stop shop for our partners is huge,” he beams. “There are a lot of people who can produce merchandise, or run an e-commerce site or run a stadium business. But when our partners want to go to one company who can do it all for them, we are by far the best in the country.”

### Trending:

When the economy hit the proverbial skids in 2009, MainGate maintained its model and saw continued growth. Moroknek shares that MainGate adjusted price points to help customers during tough times, but reveals a lesson about loyalty in sports.

“One thing we learned during that time was that people still have such an affinity for (the teams) they love,” he says. “Even if they were down on their luck, they were still showing love for their team and their sport. It may have gone from a jersey to a T-shirt, or a T-shirt to a hat, but they were still buying because when things are bad, you look to what you’re enjoying out of life – and sports are always there for people to show their pride.”

He adds that evolving trends are catalysts in keeping the business moving forward.

“In the apparel industry, there’s a part of it that’s the hardcore fan who wants the basic, collegiate design,” Moroknek asserts. “But to grow the business, you have to keep up with fashion. We’re now doing fashion forecasting to see what’s going on overseas, one or two seasons ahead.”

And it’s not just the look, but the feel that warrants analysis in the industry.

“The design elements have changed, but what’s really changed are the fabrications,” he points out. “Ten years ago, if you used the

word ‘polyester,’ you’d be laughed at. Now everybody calls it something cooler like ‘Dry Fit’ or ‘Coolmax’ – but at the end of the day it’s polyester. Innovation and technology have driven fabrications.”

Perhaps surprisingly to some, women are forcing apparel makers to re-evaluate their offerings.

“There’s a lot of fashion that goes into it, and that’s one of the reasons the ladies business has grown so much,” Moroknek emphasizes. “It started out just taking a men’s design and making it pink. Now if you look at where it is, you have people like (actress) Alyssa Milano doing NFL-licensed merchandise. It’s evolved, and we have a ladies-only store in Washington, D.C. because it’s grown so much. We sell boots and other products that are doing well that I thought I’d never see in the licensed product realm.”

“Homegating” is another movement under way. MainGate produces branded wine glass holders and stoppers, plates and other items to help consumers further enjoy the popular experience of watching games with friends at home.

### Tackling technology:

Technology has evolved significantly since that day in 1963 when Saffell sold over 2,000 t-shirts at a race in Indianapolis. E-commerce now provides a great deal of convenience for the consumer – and forces manufacturers to keep up.

“It’s changed everything,” Moroknek remarks, adding that within a year, 50% of all e-commerce purchases are projected to come from mobile devices. “It’s the greatest thing to happen to the retail business. All of a sudden, I can go to sleep at night, wake up in the morning

and we’ve done sales while our business was closed. It’s really changed how retail is done. Obviously, consumer behavior has changed with the amount of shopping done online.”

Event sales have also benefited from the use of complex computer systems. Real-time analysis of sales figures allows MainGate to properly stock its products.

“Everything is live inventory,” he discloses. “So if we’re at Lucas Oil Stadium, we can track that a stand on the third level is selling this one particular hat really well, so we’d better bring more hats from the distribution center. That type of technology with our point of sale system is very helpful.”

Moroknek reflects back to October 20, when Peyton Manning and the Denver Broncos came to Indianapolis. While some attributed it to gamesmanship toward the former Colt when the home team opted to leave the stadium roof open, Moroknek realized an opportunity.

“When Denver came, if we didn’t have the type of technology we have, we would have missed out on a lot of business,” he states. “Once we found out the roof was going to be open, we got sweatshirts and jackets to every location by the time gates opened.”

### Home field:

Being in Indiana allows staff members to enjoy a high quality of life, according to the native New Yorker. Additionally, its central location and business-friendly environment make Indianapolis a desirable hub for the company.

“The community passion is second to none,” Moroknek believes. “People want to do well in the community and they’re willing to help people out. The biggest thing is that there is a nice selection of talent and good people to hire and call teammates.”



David Moroknek asserts that MainGate’s ability to be a one-stop shop makes the company a unique option for customers. Its ability to adapt with a cornucopia of colors, fashionable offerings and branded merchandise also keeps MainGate at the top of its game.