



In 1982, sports fans watching ABC's Wide World of Sports saw the grueling Ironman Triathlon competition for the first time. The emotionally charged image of Julie Moss crawling across the finish line on her hands and knees to capture second place motivated thousands of runners, cyclists and swimmers – and more than a few couch potatoes – to enter a triathlon for the first time.

Today, USA Triathlon, the sport's governing body, sanctions more than 2,000 triathlon events and has enjoyed more than a decade of steady growth in participation, which has remained relatively consistent despite the slow economy.

Tim Yount, USA Triathlon senior vice president of marketing and communications, reports, "I don't know how we've become so recession resistant, but in the 25 years USA Triathlon has been around, we've been able to live through the hard times and thrive in the great times. We had 17 percent growth last year and are projecting 12-15 percent growth this year. There is not one part of our organization where we are seeing any contraction. Even our sponsorship dollars are growing."

Ryan Dolan, national team and multisport sales manager

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opportunities for  
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# TRIATHLON

(continued from cover)

at TYR Sport Inc., believes the sport is truly recession-proof as participation continues to climb. “The market is growing, especially in the number of participants,” says Dolan. “The rate at which the events fill up hasn’t slowed down even in this economy. Races are filling up months in advance. Triathlon is the fastest growing category at TYR. Last month we were up 20 percent compared to the year previous.”

Whether the measure of growth is indicated by the number of participants, races or brands entering the marketplace, the metrics measuring success are on the rise. Vinu Malik, president and founder of Fuel Belt, Inc., sees the growth in the sport reflected in the company’s own numbers. Based on the company’s record of steady growth, Fuel Belt was named to the Inc. 5000 list of fastest growing companies in the U.S. in 2007 and 2008. “The multisport market continues on an upward trajectory with regards to participation, event registration, and the sheer number of businesses trying to market to this demographic,” explains Malik. “All signs point north and I



don’t see anything reversing this direction—even in a tight economy.”

Brian Enge, CEO of Zoot Sports, Inc., doesn’t expect to see a downturn this summer. “We are very much in a growth mode,” he says. “The races that were selling out 2-3 years ago are still selling out and new ones coming to the market are also selling out.” Enge expects the number of events in the 2009 season to grow 10-15 percent.

The market is also seen as a viable entry point for brands that may have started in running in the past. K-Swiss is launching their running initiative through the triathlon market by focusing on 12 sponsored pro triathletes for category and brand marketing. This year, K-Swiss athletes have captured 10 race victories and 20 positions on the award podiums.

## THE NEW TRIATHLETE

When the Ironman first became part of the American sports landscape, the competition seemed far out of reach for the average recreational athlete.

Isaac “Ike” Alvear, American Sporting Goods’ executive director of perfor-

mance brands - Avia, Ryka, & Nevados, recalls the genesis of triathlon as a magnet for participation, "In the 80's, Avia was a pioneering brand of the first movement when we watched Julie Moss crawl across the finish line and the Ironman became branded in our minds forever," he says.

But that early group of hardcore athletes that found a training home in San Diego and/or Boulder found not only a spectator following, but also a participatory one. Overnight, training rides became much larger and key athletes became stars. Today, the sport is finding new participants who see it as much as a lifestyle choice as it is a competition. Today, the athletes crossing the finish line at triathlon events represent a broader cross section of active consumers. Baby boomers, women, collegians and teenagers are entering and finishing events.

"If you think about (the) triathlon's launch in the 80's, it was more of an exclusive feel and competition," says Stephen Gartside, president of Newton Running. "Now it's a lifestyle sport. It's a challenge many people aspire to do once in their life and then get hooked."

As with the most recent running boom, women are driving growth in triathlon events. According to USA Triathlon, the ratio of men to women triathletes has shifted from 80/20 a few years ago to near 60/40 last year.

TYR Sports has benefited from that shift. "The female participant is where you are seeing the most growth," says Dolan. He reports 60-65 percent of TYR's sales in the triathlon category are to the female segment.

Malik adds, "The participation trends are incredibly strong for women and the age groups that fall between 30 and 50 years old." He adds that for the Ironman distance races around the country, the largest age group categories are the 35-39, 40-44, and 45-49 age groups. "Triathlons are what 5K and 10K races were 15 years ago," continues Malik. "They are the next step on the ladder for people looking to challenge themselves. Once you've tried one, you immediately start plotting

out your plan for the next one and how you will improve."

New triathletes are coming to the sport from several directions. Some are active runners and cyclists looking for new challenges. Dolan says, "They've run enough marathons or 100-mile bike rides. The next step is to finish a triathlon. It's a natural progression to see where they fare in the triathlon world. The biggest draw isn't the actual event itself - it's the lifestyle and the secondary benefits of training for it."

Alvear says, "They need a new Everest to climb. These active individuals don't need another 5K T-shirt. They are looking for the next challenge."

Skip McDowell, owner and president of Nytro, a multi-sport specialty store in Encinitas, CA, says, "The biggest surge we've seen this year is new entrants coming into the market.

It's not just one age group; it's all different demographics. The one thing you can point to in triathlon is [that] it is a very inclusive sport. People are actually genuinely nice to anyone who participates."

Shorter sprint distance triathlons allow new participants to test their skills before investing money in more expensive equipment like tri-bikes and wetsuits. Mark Sheehan, director of performance footwear at K-Swiss, points out, "The distances are fueling the ability for more participants to get a sense of what a 'swim-bike-run' accomplishment is all about. They aren't starting the event



The new TYR Sayonara is the triathlon industry's first "swimskin" to use the patented Yamamoto Biorubber Mark III fabric, a lightweight, super composite skin (SCS) made of Titanium alloy for thermoregulation and featuring a hydrogenbonded surface to reduce drag and maximize water repellency. Yamamoto Biorubber Mark III is made of an elastic knit construction to provide flexibility and balance to evenly support the swimmer's body in all directions. A durable, coiled zipper with Velcro closure holds fast to provide a secure fit. Extended pull cord assists with smooth transitions. Available in Sayonara Male Zipperback Short John, Sayonara Male Zipperback body styles. [www.tyr.com](http://www.tyr.com) MSRP \$300.

## FEATURE

(RIGHT) A versatile 2XU garment suited to all swim, bike and run disciplines. Fine-gauge SBR SKIN allows for speed through water and quick drying. Contoured fit promotes muscle support, while seams and fabric stretch to allow freedom of movement. Adjustable waist drawstring and low-profile flat lock seams ensure comfort. Side and rear pockets can be used to carry all race essentials. [www.2xu.com](http://www.2xu.com) MSRP \$90.

(BELOW) The AVI-BOLT II triathlon racing flat features a lightweight air mesh upper and compression molded lightweight EVA midsole with Avia's Cantilever technology in the heel to soften impact, stabilize the heel and provide increased energy return. Available for men and women. [www.avia.com](http://www.avia.com) MSRP \$100.



with a long-term strategy in mind, but [they are] finding the smaller sprint triathlons more appealing.”

Surprisingly, people with very little athletic experience are also registering for sprint distance events. Yount reports, “We are seeing more and more people coming into the sport from sedentary lives. They are just getting off the couch. They are learning that triathlon is not about the Ironman but doing something that can be life changing.”

Access to information helps address misconceptions that may have prevented people from entering the sport sooner. Yount says, “There are so many more outlets for people to learn about how to participate in the sport today that the concerns or trepidations that people once had no longer exist. The walls have been torn down.”

Malik describes the psychological motivation that drives new enthusiasts. “The sport tends to pull a wide range

of individuals into its membership,” he says, “but it takes a driven personality to be involved in this sport and that means they are usually quite successful outside of their sports. Their financial status is at the upper end and the lifestyle of the sport resonates with an inner sense of accomplishing something.”

### INVESTING IN THE SPORT

Runners’ purchases of shoes, apparel and accessories certainly bring a specialty retailer a steady revenue stream. By reaching out to triathletes, retailers can increase sales significantly.

Enge explains, “If you compare the running customer versus the triathlon customer, the triathlon customer is significantly more compelling. The average triathlete exercises 40 percent more than the average runner. Automatically, you are going through more nutrition, socks and shoes.”

He continues, “The average triathlete is better educated and makes more money. The best part is 65 percent of triathletes define themselves as the group constantly looking for the next best gear. Whereas a runner is looking to find a replication of their current gear, the triathlete is looking for what is next and better. Triathletes are willing to try new things and spend a little more money.”

Kay Martin, president of Headsweats says, “The customer profile is super attractive to our business. It’s a specialized clientele. The price of entry is greater than most sports, the participant is professional [and] mature, and higher price points don’t scare people away. Triathlon is a lifestyle for folks. People are eager for product knowledge; they want the latest and greatest.”

The quest for a competitive edge isn’t limited to professional triathletes hoping to earn a living by competing. McDowell says, “The people who are really

spending the money aren't the pros but the 'back of the pack' people who have gotten off the couch."

Sheehan says, "Triathletes are probably the most open consumer group in the world of performance footwear and apparel. They are looking for an edge. They are not predisposed to a specific established brand. They are unquenchable in their search for improvement. They take the same approach to detail in their running shoes. Being evaluated in the proper way drives them to the running specialty and tri retailers. They are putting their feet in the hands of the experts."

Nik Hobbs, chief operating officer at TriSports.com, offers a retailer's perspective. He says, "One of the reasons why triathletes are exciting to some vendors is [because] they are early adopters. They will take on a new technology, study it, use it and judge for themselves if the technology is working. People are willing to spend money."

He continues, "That's why you see shoe companies like Newton targeting triathletes first before they take their product to the mass running market."

Newton's Gartside explains their positioning. "The company picked an under-served niche to launch the business," he says. "We gained a following in the triathlon space. By design, the company always intended on moving from multisport at the initial launch to a more general running population. Over the past two years we have seen our typical consumer evolve from the male and female triathlete ages 25-45 to a wide group of both competitive and non-competitive multisport participants and general endurance runners. We are selling 55 percent of our shoe volume to men and about 45 percent of our shoe volume to women."

Richard Verney, owner of Sports Multiplied, LLC, distributors of 2XU compression apparel, reports triathletes are driving brand awareness and sales of his product line. He says, "Without a doubt a huge amount of awareness of compression garments has come from the triathlete community. By far, they are

the most progressive when it comes to looking at equipment. They will look at anything that will give them an advantage especially in the longer distances."

### SEIZING THE OPPORTUNITY

With the number of triathletes growing steadily, running specialty retailers have an opportunity to offer existing customers a new challenge as well as expand their audience base. While some retailers are responding, there's still some hesitation.

Yount says, "The running community is still not fully invested in the market. They may still believe it's a short-term trend. We're slowly seeing a shift in company mindsets. The companies that are doing well in the triathlon marketplace are letting the retailers know about the opportunity. I still think they look at the 1.1 million people we tout that are competing in our sport as being too small. Everyone still wants to compare the triathlon market to the number of runners, walkers and the number of people who swim. We are seen as the third or fourth tier of impact to their overall sales. I'm not sure if they grasp the buying power of our sport."

To support specialty retailers who are investing in multisport activities, USA Triathlon has launched a new certified retailer program. Yount says, "We're continuing to feed the retail market because we believe that [it] is a key part of what we do as a governing body. It's about sustaining and supporting companies and retailers that believe in us. We are doing everything we can to support them."

McDowell believes running specialty retailers can successfully attract triathletes – even without investing in costly bicycle inventory. "There's room for running stores to bridge out and have a section for triathlon shoes like Avia, Zoot and Newton," he says. "I think it's good for our business to have more choices for consumers."

Enge says, "Some run-specialty retailers have figured out they can carry some limited selection during the main triathlon season with limited



(TOP) 2XU's Women's Tankini Singlet is made out of prime Lycra combined with SENSOR MESH paneling that provides a tankini singlet built for comfort, moisture management and UV protection. Built in SENSOR MESH shelf bra offers ventilation and support and a rear pocket that holds tubes and gels makes this singlet versatile enough to be used for all race distances. [www.2xu.com](http://www.2xu.com) MSRP \$70.

The new AVI-Stoltz was co-developed and tested by three-time XTERRA world champion Conrad Stoltz. Designed for off-road running, this non-traditional trail shoe is lightweight, triathlon friendly and race ready. Available for men and women. [www.avia.com](http://www.avia.com) MSRP \$110.

## FEATURE



(TOP) The rugged, waterproof Forerunner 310XT is completely submersible and offers up to 20 hours of battery life. The new 310XT goes from wrist-to-bike in seconds with the optional quick-release wrist and bike mounts. It accurately tracks time, distance, pace, elevation and heart rate (some models) and wirelessly sends data to your computer. [www.garmin.com](http://www.garmin.com) MSRP \$349.

Control-stretch waistband with wider Velcro closure means a secure and custom fit. The four 8-oz bottles are ergonomic, leak-proof, dishwasher safe and made of recyclable BPA-free LDPE (No.4) plastic. Each Helium belt comes with a removable race pocket, perfect for salt tabs, gels, keys or cash. Available in Hibiscus Pink, Surf Blue, Lava Black, Blue and Classic Red. [www.fuelbelt.com](http://www.fuelbelt.com) MSRP \$45.

investment. We're adding more run shops every month because they are seeing the opportunity."

At Headsweats, Martin says, "We've seen a shift in specialty retailers addressing the tri market. Their customers come in asking for products. The early adopters saw a market that could boost their sales. I think that trend will continue."

At TYR Sport, significant sales growth has come from running specialty. "This year more than any other the bulk of our growth is coming from new [retail] customers," asserts Dolan. "We are pretty established in the triathlon-specific dealer base. Where we are seeing the growth is in bike shops, running specialty, outdoor and sporting goods stores. They get multiple people coming in asking if they have triathlon shorts or other apparel and they see the consistent need and demand."

Malik has seen similar interest from running specialty retailers. "Retailers are definitely taking steps to understand the multisport channel," he says. "It hasn't happened overnight, but it's getting a heck of a lot more attention now than, say, 5 years ago." He says retailers love the demographic, and why not? "Multisport household income is over \$120K, they're educated, web savvy and intelligent," Malik continues. "They love new gear, they are loyal to key brands and they are willing to invest in themselves to improve their performance and the overall experience of training and racing. There's a reason triathlon events sell out across the country. I think the challenge for specialty retail is that they need to better understand what key brands work for triathletes as these are often different than what works for say runners or cyclists. That means they need to carry a few key brands that resonate with the demographic."

Many running specialty retailers already have triathletes in their customer base. By not actively offering the products they are looking for, Enge believes retailers risk losing that customer. "Since the major migration to triathlon is coming from running, this customer is already in your store," he says. "You are simply losing them over time. As he or she becomes more interested in triathlons, they may spend more time in a bike shop if you can't give them the other things they need like a wetsuit, basic dry suit, race belt, some nutrition. If you can't give them those things, you will lose them for everything except for shoes."

### GETTING STARTED

Running specialty retailers can address the triathlon market by transferring existing and successful marketing strategies to the new audience.

"The easiest way for these dealers to get involved in the sport is through some kind of sponsorship support. A 'goody bag' or swim caps with the dealer's name are the most productive tie-ins for retailers," says Dolan.

Enge adds, "The most important step is to make a modest commitment to the category with product. If you don't

# TRIATHLON FACTS

<b>AGE</b>	
Average	40
18-29	10%
30-39	40%
40-49	34%
50+	16%

<b>EDUCATION</b>	
4-year degree	87%
Post-grad	43%

<b>INCOME</b>	
Average	\$161,300
<\$100K	6.6%
>\$100K	93.4%

Source:  
Triathlon magazine

<b>GENDER</b>	
Male:	63%
Women:	37%
USA Triathlon Female Members:	
2006:	29,967
2007:	36,920
2008:	40,786

<b>PREFERRED DISTANCE</b>	
Sprint	26%
Olympic	44%
Long Course	21%
Full Ironman	9%

Source:  
Triathlon magazine

<b>USA TRIATHLON MEMBERSHIP</b>	
1993:	15,937
1994:	15,194
1995:	15,620
1998:	16,461
1999:	19,060
2000:	21,341
2001:	29,886
2002:	40,299
2003:	47,373
2004:	53,254
2005:	58,073
2006:	84,787
2007:	100,674

Source:  
Triathlon magazine

<b>TOP TEN STATES RANKED BY USA TRIATHLON MEMBERSHIP</b>	
1. Texas	12,552
2. Florida	9,990
3. California	9,244
4. New York	5,275
5. Illinois	4,669
6. Virginia	4,084
7. Colorado	3,945
8. North Carolina	3,897
9. Georgia	3,315
10. Massachusetts	3,207

Source:  
USA Triathlon

**FACT** USA Triathlon's female membership has increased from 11 percent in the early 90s to approximately 29 percent today.

**FACT** The median number of races participated in annually is five.



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## FEATURE

have product in the store, no one is going to give you any credibility. Second, hire one staff member that is connected to the triathlon community. We've found that retailers who do that will see some signs of success."

Educating the staff about tri-specific products is key to authenticity. Verney reports that after an initial 2XU compression apparel product order, retailers must also commit to a staff-training clinic. He explains, "The clinics empower the staff and provide them with confidence in their ability to speak to the benefits of compression for runners and triathletes. That has helped enormously. We also provide products for the staff to have personal experience. The education and the ability to try the product are critical to ensure we are maximizing our opportunity."

Learning from the best practices of specific specialty retailers can help. At Nytro, one of the most successful outreach offerings has been a triathlon starter package. The package, priced at approximately \$2,000, includes a tri-bike, wetsuit, shoes, apparel and accessories package. McDowell negotiated with vendors to subsidize product pricing and he also reduced his margins to make the package more attainable for the consumer. McDowell says Nytro has sold one of these packages every day since the program was launched on March 1, 2009. McDowell uses the term 'co-opertition' combining 'cooperation' and 'competition' to describe the way running specialty retailers compete for the same customer. He says, "You have to win your customer loyalty based on product selection, technical advice – making sure you have products in stock and customer service."

## LOOKING AHEAD

Triathlons are generating a lot of media buzz. Specialty brands are thriving as newcomers prepare for their first events. Strategically, running specialty retailers would be wise to take advantage of the opportunity to support relationships with existing clientele as well as introducing new customers to their stores.

Hobbs points out that, despite the positive numbers, retailers have to gauge the opportunities carefully. He says, "The market is still very small. It's dwarfed by the running shoe market and cycling industry. It's a niche within a niche. The sport is growing, but the numbers still aren't there across the board like they are in running and cycling. The sport will continue to grow. There's beginning to be better organization in terms of getting younger people into the sport. People are starting to buy into the lifestyle element."

Enge suggests that adding a new product category can reinforce the specialty retailers' point of differentiation with big box retailers, "Running specialty can keep things fresh by looking to the triathlon industry. The triathlon market continues to be the most innovative category in the sporting goods industry. It has a long history of bringing innovation to the market."

Will triathlons exhibit the "boom or bust" cycles seen by running over the last twenty years? McDowell suggests this market is different. He says, "We are at the early stage, we haven't got to the great growth stage yet of this market. This [triathlon] is going to a long-term run. Triathletes have to have the latest and greatest of everything. The life cycle of a loyal triathlete can be very lucrative over time if you give them the right service."

Endorsed by Olympic Gold Medalist Natalie Coughlin, the Interval Waterproof Headphone System helps triathletes train harder by providing the soundtrack to their next swim session. The waterproof case and integrated waterproof headphones attach to most swim goggles. Waterproof to 12ft/3.6m. Features ergonomically designed earplugs. [www.h2oaudio.com](http://www.h2oaudio.com) MSRP \$80.

