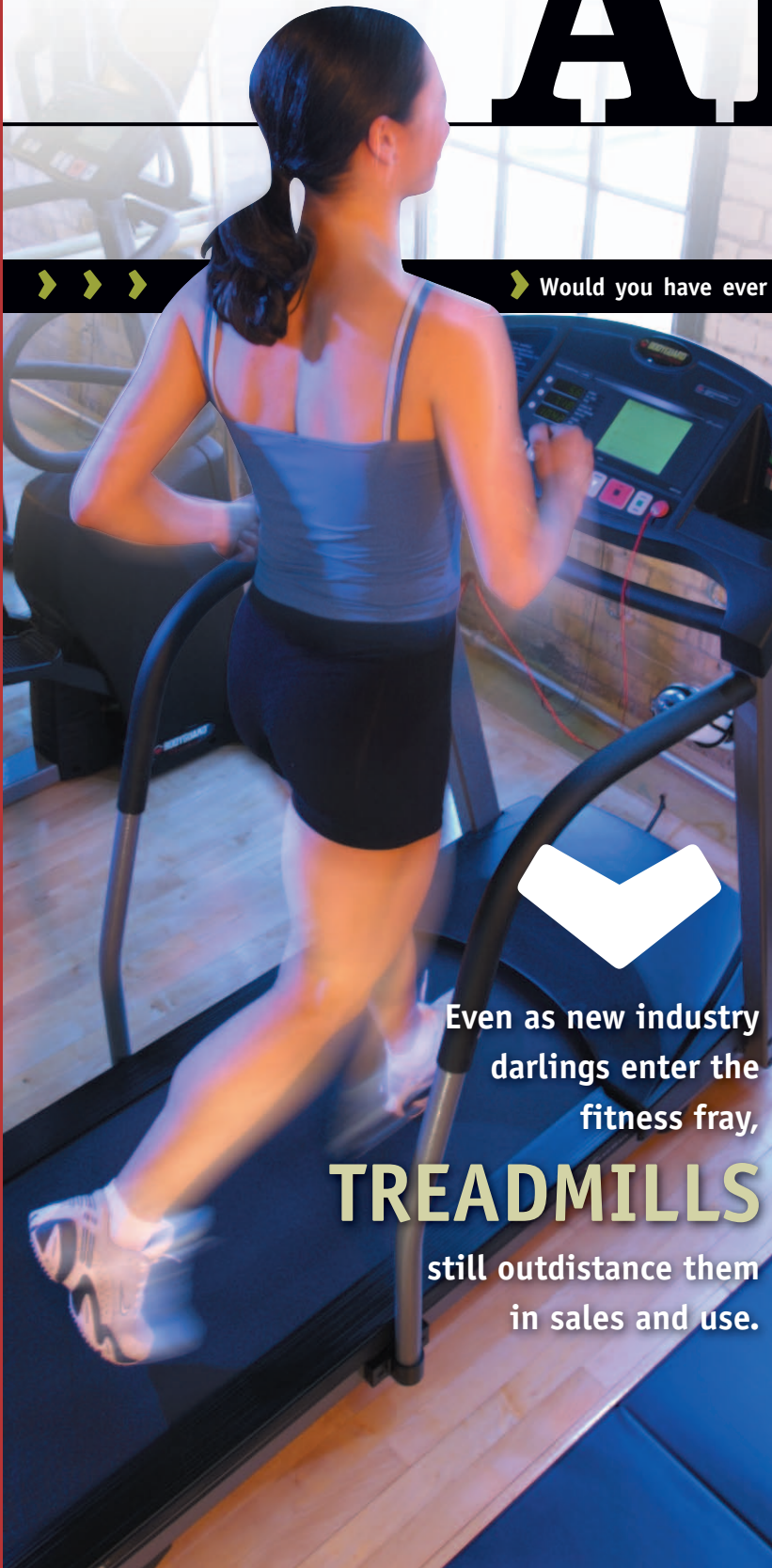


▶ s t r i d i n g

BY JULIE KING

Along



▶ Would you have ever

thought that a simple moving belt would dominate fitness equipment? Even in the face of endless new fitness “innovations,” the treadmill remains the steady workhorse, the unassuming leader of all commercial and home exercise machines.

“Treadmills essentially started the indoor fitness category—they are the bread and butter of every fitness equipment manufacturer,” said Mike Olsen, marketing manager for Horizon Fitness, which sells eight home models in specialty fitness and sporting goods stores for \$699 to \$1,499.

Today, there are 43.4 million “treadmill exercisers” in the United States, according to the Sporting Goods Manufacturers Association’s (SGMA) 2003 Sports Participation Topline Report. That’s an astounding 888 percent increase over 15 years (yes, you read that right). In fitness centers, treadmill use has jumped 89 percent to 9.9 million during those same 15 years, according to the International Health, Racquet and Sportsclub Association (IHRSA).

And home exercisers snapped up 3.8 million treadmills in 2001, the most recent data available from the National Sporting Goods Association (NSGA) reported. That adds up to some \$2.3 billion, or about one-half of the \$5 billion spent on all home exercise equipment that year. No wonder everybody wants in. No wonder every manufacturer wants to one-up everybody else with the next gotta-have features. And no wonder—despite the constant push for more innovation in other equipment areas—coming up with something cool and different on that ol’ treadmill still keeps engineers pretty busy.

“As manufacturers, we are forced to come up with the next widget to put on our product and, as consumers, we get caught up in this. But do we really use this stuff?” asked SportsArt President Terry Brown. Maybe not. But the race to the future, which certainly includes gizmos, attachments and technology, doesn’t have a finish line.

WHY OTHERS ONLY NIP AT ITS HEELS

Although the industry’s darling, the elliptical cross-trainer has nipped at the heels of treadmill sales, but it still hasn’t eclipsed its popularity.

Clearly, the treadmill is so popular because it has virtually no learning curve; pretty much everyone has been walking since age 1 or 2. And it is super versatile and fairly unique compared to other cardio machines, capable of equally challenging an elderly person rehabilitating as well as an Olympic sprinter.

Even as new industry darlings enter the fitness fray,

TREADMILLS

still outdistance them in sales and use.



Another aspect that is easy to overlook—treadmills set the pace and force exercisers to keep up unless they make the effort to push a button. On all other cardiovascular equipment—bikes, ellipticals,

taken its design cues from luxury cars, a typical inspiration source for many industries. “In addition to how the machine looks design-wise, it’s little things like the way parts fit together and hiding screw

in health clubs, concurred that the manual program is chosen most often and that no more than about half of programs offered are ever used at all. They are in many cases only selling features—a bene-

► Treadmills are here to stay as big sellers, particularly as more people make fitness a way of life.

stairclimbers and such—users are able to establish their individual pace, and most folks typically can’t or won’t push themselves hard enough on their own to achieve maximum benefits. It’s too easy to just slow down and perhaps not even realize it. Maybe that’s why people claim that treadmills provide a better workout.

EVOLUTION OF A CHAMPION

Although it’s tough to trace precisely when manual units debuted—heck, even the Romans created something that could be called a treadmill—Wayne Quinton claims to have built the first motorized treadmills for cardiac testing in 1953. Landice launched its commercial treadmill in 1967, and PaceMaster introduced its first home model in 1968, boasting a skinny 15-inch belt and a \$399 price tag.

“It didn’t offer much—basically just a motor and belt with dials for time and speed mounted on the hood,” said Tom Staub, CFO and vice president at PaceMaster. “Our big innovation was a tiny handlebar that ran down to the knobs so people could adjust them while actually using the treadmill.”

In the 1970s, Star Trac, Woodway and True got in on the action, and more followed into the early 1990s when interest in these machines really took off. Over the years, the product’s evolution has been logical: manual versions then motorized versions, manual elevation then automatic elevation, cushioned decks and shock-absorbing decks, heart-rate feedback then heart-rate controlled programs, with other frou-frou along the way like accessory trays, bottle holders, and built-in fans. Of course, as time passed came the transition from DC to AC motors, from 1hp capacity to double that and more (OK, we know much of that is just a selling feature), aluminum to steel frames, narrow to wider belts, and industrial-looking boxy and black machines to bold designs with rounded, sleek edges and softer colors.

“People care more about how treadmills look now and want them to contribute positively to the room,” said Mike Bevan, Life Fitness’ business director of treadmills, who says the company has

holes.” Just a few years ago, Life Fitness sold eight treadmills; now it offers 15 units for home and commercial use.

Brown of SportsArt America, which sells 10 home and commercial treads from \$995 to \$6,400, agrees. “Beyond the physical look, the console and everything the user interfaces with—the keypad, handles, display height and angle, and trim strips—are much more important.”

GETTING DIZZY OVER PROGRAMS

But of course it’s more than just looking pretty—treadmills must deliver a satisfying overall experience. While cushioned decks gave users’ joints a welcome respite, the biggest thrill of late has been heart-rate feedback through telemetry and contact sensors as well as interactive programs that debuted during the late 1980s and today have become nothing less than an expectation at nearly any price.

“Heart-rate control simplifies the workout and makes it safer,” said Frank Trulaske, president and founder of True Fitness that makes 20 home and commercial models—almost all of which feature heart-rate capabilities. “Time-crunched people today need efficient workouts, and we’ve always believed that this is the best way to use the treadmill.”

Now a dizzying array of programs exists—with trendy names the likes of Fat Burn, Cruise Control, Calorie Coach, Heart Rate Interval and Extreme Heart Rate—that even fitness equipment manufacturers admit to struggling to keep them straight on their own models.

But specialty fitness retailers acknowledge that heart-rate capabilities are good selling tools. “Today’s programming is really slick, although it requires educating customers,” said Mark Becker, owner of Exercise and Leisure in Cincinnati, Ohio, and a 20-year industry veteran.

“Programs add a level of complexity that can make the treadmill harder to use, which may confuse some—like those of us who still have ‘12:00’ flashing on our VCRs,” said PaceMaster’s Staub. “Based on a study we did last year with Runner’s World, the manual program remains very popular.”

Life Fitness, which researched how people interacted with treadmill consoles

fit that remains mostly untouched. Nevertheless, manufacturers try to satisfy both low- and high-tech consumers, and put it all on to keep everybody happy.

THE FEATURE FRENZY

Apparently comfy decks, information-laden LED screens and a tremendous bevy of programs haven’t been enough to satisfy exercisers’ changing demands and rising expectations. Of course, increasing technology in everyday life pumps up expectations everywhere else, too.

“With every passing year, some new treadmill advancement becomes the table stakes, and now the sky is the limit,” said Jim Birrell, a 19-year veteran at Precor and currently the company’s vice president of design and development. “As these products become more of a commodity, it takes more bells and whistles to get a win.”

Star Trac recently equipped its commercial treadmills with fans, digital scales and the ability to interact with PDAs; Technogym added aromatherapy (no, really) and flat-screen touch-control TV screens. On the home front, Icon offers iFIT.com, a virtual personal trainer that lets workouts streamed from its website control its various brands of treadmills—like somebody else has their hands on the buttons. Most agree that it’s too soon to tell if these new amenities are smart ... or just silly.

Mike Cochrane, global sales and marketing director for Bodyguard, which sells six home and commercial models from \$1,999 to \$5,600, says that because all the manufacturers use the same equipment and parts suppliers, it’s the novel features that help distinguish products: “Everyone is trying to find a way to create a feature that becomes a benefit. These are bold moves, and certainly something is out there that could be good, but it has to make a lot of sense.”

Horizon’s Olsen sees value in a plethora of features, mainly because “there is a need to out-spec the competition.” But he adds, “Most people don’t enjoy working out. So the better experience you can provide, the more people will use the equipment.”

Some specialty fitness retailers, like L.A. Gym Equipment, say that fans on

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treadmills are a small investment that people like and translate into a lot of sales. And Life Fitness' Bevan makes a practical point about piling on more gizmos, noting that, "sometimes these just amount to more things to break and cause problems—without adding a lot of value to users."

In the midst of this, manufacturers are up against intense price pressure and rising quality expectations—so value still wins the game: How much can I get for the least money?

"These features can help retailers in the sense that they create interest and innovation," said Staub, "but if it costs too much, it won't fly. People just won't pay for this stuff now."

Bodyguard's Cochrane claims that it wants to add more interactive capabilities to its machines, but because consumers won't pay for them, "the market is really holding us back so we can stay at specific price points." SportsArt also says it wants to use flat screens as consoles but can't because the market won't support the cost.

THE WARRANTY WARS

In the ongoing quest to be distinguishable in a crowded and competitive arena, manufacturers have done what used to be unthinkable by adding lifetime warranties to the most service-intensive fitness product. What other consumer commodity does that? Landice, Spirit, SportsArt and True—among others—now offer some sort of limited, or not so limited, lifetime warranties on home units. Nobody seems to think this is necessarily good business, mind you, but they do it nonetheless to drive sales, presumably based on the assumption that treadmills will be used mostly for walking, at a slow pace, and frankly not enough to cause problems. It's a gamble, at best.

On the retail side, Becker notes that Landice's lifetime warranty has been a significant influence on sales, and at Omni Fitness, where a third of all home sales are treadmills, former President Rick Griner says he recognizes that long warranties ultimately determine some purchases.

But these extended warranties are short-sighted and eventually could cause trouble. "We're struggling for ways to grow the business and manufacturers are trying to one-up each other," Brown told GearTrends. "This is silly on everyone's part; we're talking about things that wear out. Maybe we need to hurt ourselves to learn."

And, Cochrane noted, "It's a disturbing

trend when a manufacturer has to offer lifetime warranties to sell product." Bodyguard, which does not give lifetime warranties, also said that a PR nightmare might arise, given that most consumers don't take care of their equipment, and "all treadmills break down."

GLIMPING INTO THE CRYSTAL BALL

After all this, what's up ahead? Most believe that technology will drive the future of treadmills—that using it to entertain exercisers or let them multi-task (watch the Wall Street ticker, read email or play video games) will be popular as we are increasingly pressed for time. Consoles may offer or even become TV screens, able to play music and DVDs as well. Greater communications capabilities, such as exchanging information with PDAs and computers, are also likely.

According to Griner at Omni, people will be willing to pay for timesaving technology on treadmills to the extent that it is easy to use and enhances the overall exercise experience. To continue enhancing the treadmill experience, Precor's Birrell thinks that future products will become more adaptive to the user, like, for instance, the belt speed adjusting automatically based on the user's effort.

And, as they add more new features, manufacturers admit that they must at the same time find ways to simplify interfacing and make treads more intuitive. After all, no feature carries much pizzazz if people can't figure out how to use it.

Perhaps inspired by the elliptical cross-trainer, the dual-action treadmill with moving arms may reappear. A few years back, True launched the "TNT" but has since pulled it from the market to refine it.

Manufacturers and dealers insist that overall quality continues to improve, although intense price pressure has made offshore manufacturing more common. And while quality rises and prices fall, consolidation among tread manufacturers is likely, as market demands today can't support them all.

Beyond this, the next new innovation on treadmills is anybody's guess—and is exactly what all manufacturers are convinced exists somewhere, in somebody's brain, or on some inventor's drawing board, and are racing to be the first to find it or to create it. One thing remains certain: Treadmills are here to stay as big sellers, particularly as more people make fitness a way of life. As Cochrane put it oh-so-simply, "The necessity of exercise on a treadmill will always be there." 🏃



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