# on the fring

BY CLYDE SOLES

## SOME SAY BOOM YEARS, SOME SAY NOT...WHO

JARED OGDEN PHOTOGRAPHY

**In MOST INDUSTRIES, TALK OF A 75-percent annual growth would have businesspeople giddy with delight. Yet manufacturers and retailers of backcountry ski equipment are remarkably subdued about their "exploding" sport. While they are happy that things are looking up, there is also cautious skepticism among many in the snow business.**

For this report on the evolution and development of backcountry skiing, GearTrends® has taken a look at the category's history, its growth, its size and how two different organizations—SIA and OIA—can paint such different, yet overlapping pictures of the market and its potential.

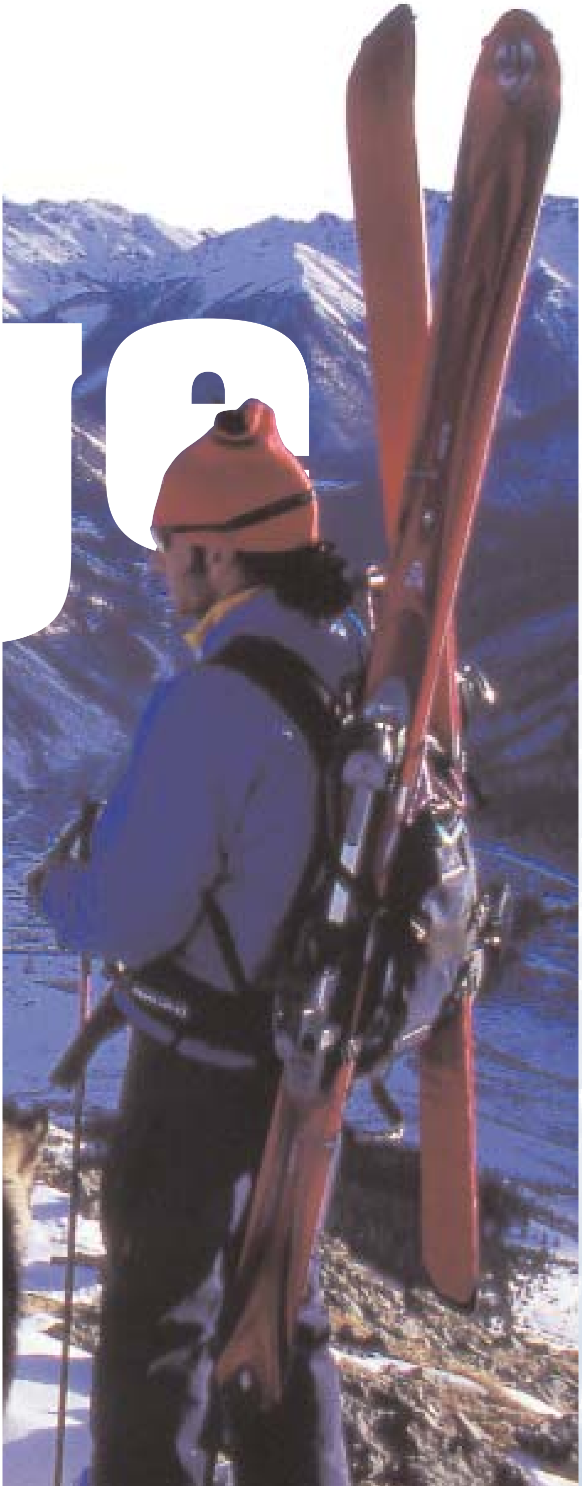
### SIA GUESSTIMATES

The SnowSports Industries America (SIA) has been around since 1961 (then just called Ski Industries America) and held its first trade show in 1964. For the first four decades of operation, SIA used rather basic methods for tracking industry sales. By 1998, when attendance started waning, SIA had to face the fact that the market and its needs were changing. This led to moving forward the trade show in the buy/sell cycle. Equally important, SIA focused on learning more about the market it serves, and then fully utilizing its data to attract the key retailers and vendors to the trade show.

Since 2002, when the information technology began to reach fruition, SIA has taken full advantage of its new marketing power. Every year, the organization spends over $150,000 on data mining to learn what products stores are selling and who's in charge of buying these products. The results of this data research are not only used to sell the trade show, both to manufacturers and retailers, but they also serve as a source of income for the organization. SIA rents its database to members by offering targeted email and fax blasts and selling various report products.

Among the most significant reports is the bi-monthly SIA Retail Audit, which claims to track what is actually moving in the stores from August through March. The Retail Audit is based on point-of-sale reports from more than 1,250 storefronts (out of roughly 5,000 total). The mix includes specialty retailers and chain stores around the country—the ones willing to submit their data. But due to confidentiality agreements, the numbers don't reveal anything about the participating stores.

It's important to note that the SIA Retail Audit mostly excludes specialty outdoor retailers, often assumed to be the traditional suppliers of backcountry gear. With only



**YOU BELIEVE MAKES ALL THE DIFFERENCE.**

11 percent of retailers crossing over between the SIA and Outdoor Retailer Winter Market trade shows, a bulk of the backcountry market is unaccounted for in the SIA reports. In addition to limited data from a large percentage of backcountry retailers, SIA is also operating on minimal background information. Prior to the 02/03 season, telemark equipment wasn't even on the radar of SIA. And alpine touring (AT) gear is still uncharted, despite being ballyhooed as an area of significant growth.

Thus, at least for the backcountry ski market, the numbers offered by SIA often raise industry eyebrows. According to its year-end report, specialty stores saw a sales increase (in units, not dollars) of 73.7 percent in skis and 84.4 percent in both boots and bindings. Chain stores saw more modest growth of 15.8 percent (skis), 42.4 percent (boots) and 48.7 percent (bindings); however, they only account for a third of sales in each category.

Based on SIA's data, the top category for increased dollar sales in specialty stores last season was telemark boots, up 109.7 percent. Not too far behind in fifth place was telemark bindings, up 89.7 percent, while in sixth place was telemark skis, up 62 percent. (Soft shell clothing took second, third and fourth, while Nordic bindings and skis were ninth and 10th.)

Considering that SIA was only talking about roughly 7,800 pairs of telemark boots, 12,400 pairs of bindings, and 6,500 pairs of telemark skis sold in ski specialty shops last season—total—that's more of a sad commentary on alpine ski sales than an "explosion" of telemark. Last season, 27,636 fewer alpine skis sold than the previous season—a 3.7 percent decrease.

As Craig Dostie, publisher of Couloir and Telemark Skier magazines, put it, "The fact that SIA is now touting 'telemark' as the growth portion of the ski industry is both encouraging and pathetic. Encouraging for the backcountry realm that the growth we have seen and experienced is finally being recognized. Pathetic in that the only portion of the ski industry that is growing is 5 percent of the super-core aficionados who are willing to hike."

## OIA GUESSTIMATES

Since much of telemark and alpine touring equipment is sold in outdoor specialty shops, it stands to reason Outdoor Industry Association (OIA) would have a better idea of market performance. As in the ski world, before the 02/03 season, OIA lumped telemark and AT gear with track and touring skis in its Top-line Report. While historically this may have been appropriate in the '70s and '80s, by the mid-90s the category had evolved so much that it was essentially unrelated to traditional Nordic equipment.

Because OIA is transitioning the way it reports sales data (from bi-monthly to bi-annual, making it more useful for selling cycles), it can't offer a complete picture of the past two seasons. At present, the only data available from OIA is for the February through July period, which essentially misses the entire selling season. The March 2005 Top-line Report will rectify the situation and better data will be available.

Based on the limited data available, OIA shows a strong downward trend for telemark sales in specialty shops in the later portion of the season. Over three seasons, skis were down 20 percent, bindings down 25 percent, and boots down 33 percent. It was a mixed picture in chain stores that sell telemark gear: skis down 45 percent, bindings down 10 percent, and boots up 40 percent. Combined, the report only accounts for 3,363 pairs of skis, 5,521 bindings, and 4,033 pairs of boots.

Even with all this improved information technology coming online, it'll always be difficult for the industry associations to get a handle on backcountry skiing trends and numbers. Leisure Trends, a research firm in Boulder, Colo., compiles data for both SIA and OIA, but it relies on volunteered information from mostly bigger stores (both specialty and chain) and larger manufacturers.

Quite simply, too much of what's really happening will likely never get reported—at least in the near term. Niche products like Bomber, Burnt, Hammerhead and UTB telemark bindings aren't factored into any calculations. Significant numbers of alpine skis get mounted with free-heel bindings, though probably fewer than in days of yore. And, there is a thriving used market on forums and eBay that simply won't be accounted for.

## TELE MARKET

When contacted by GearTrends®, most longtime backcountry ski retailers and manufacturers dismissed the telemark sales numbers of SIA as completely out of touch with reality.

Whether there is any truth to it or not, quite a few industry veterans we contacted for this story said they believe the recent interest by SIA in telemark and AT is primarily a continuation of the two-decade-old turf war with Outdoor Retailer. (For those new to the industry, the old Snow Show used to host the entire outdoor industry in its infancy. But SIA failed to recognize the importance and strength of a growing outdoor segment, which led to an exodus of key outdoor companies that felt they would garner more respect on their own. Outdoor Retailer was launched, and SIA has been trying, mostly unsuccessfully, to woo the outdoor market back ever since.)

To their credit, SIA, OIA and Leisure Trends are now working together to gain a better picture of the markets that most directly affect specialty retailers. In addition to a more comprehensive analysis of the telemark market, they are also beginning to separate out alpine touring equipment as a unique category. While neither industry association appears to have a good grasp on the telemark market, both recognize that this segment is one of the hallmarks of specialty retail shops. Chain stores may dabble but they have little chance of success in this niche.

The overall consensus from many sources is that telemark and alpine touring sales have been steadily increasing over the past decade at around 7 percent annually. Some years have been up or down slightly due to snow conditions or significant new product releases. But overall growth has been slow and steady for telemark, with AT outpacing it in the past few seasons.

Mike Martin, the owner of the Alpineer in Crested Butte, Colo., and Telemarkskis.com, said he believes SIA numbers in this category are "difficult to trust. Especially in such a small market segment such as tele skis in chain stores. I mean, if they sold eight pairs of skis two years ago and 14 pairs of skis last year their sales are up 74 percent. Woo hoo!"

One industry insider said, "Those who rave about telemark growing significantly are, one, those who wish it was; two, naive because it is becoming more visible and they think that means growth, like buying a new model car and then noticing how many there are out there on the road; three, are skiing in pockets where you see beaucoup tele skiers, period; or, four, are taking market share away from their competitors."

Others' numbers point in the same direction: "Seven years ago we sold about 3,500 pairs of telemark skis per year. We are now just a little under 10,000 pairs annually," said Rick Halling, Nordic sales manager for Atomic. "The last three years have seen growth of about 10 percent each year."

According to Roch Horton, the Scarpa business manager for Black Diamond, "In tele, Scarpa has seen steady growth in the last decade (approximately 5 percent to 11 percent annually) with spikes here and there recognizing new product launches, etc. AT is a different story with a major leap experienced in 2000."

Horton's counterpart, the manager of Black Diamond's ski line, Thomas Laakso, sees a blurring of categories as part of the reason for growth. He notes that the defined line between backcountry and lift-served skiing no longer exists. Part of this is due to the recent (past few years) trend of ski areas opening up access to terrain beyond their roped boundaries. Before, "backcountry" was usually accessed from the bottom and required a lot of work so it was self-limiting. Now, open gates invite more people out-of-bounds.

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## TELE EVOLUTION

With sales of both alpine and Nordic ski equipment declining over the past decade, and snowboards capturing most of the youth market, the continued yet modest growth of backcountry gear has begun to attract attention. Still, there are those who continue to assert that telemark sales will always be a niche market, despite reports that sales are "booming."

Telemark gear started growing up in 1987 when the Chouinard Tele Sauvage introduced significant sidecut (80/60/70) to skis. For the previous 16 years since the turn's rediscovery in Crested Butte and Stowe, skiers had generally been making do with toothpicks, rat trap bindings and low-cut boots.

As the skis got wider and shorter, the leather boots had to grow with them, climaxing with the Merrell SuperComp. But in 1992, the all-plastic Scarpa Terminator (developed by Paul Parker while at Black Diamond) shook up the market. Plastic boots also led to an era of exploding telemark bindings that is only now passing away.

It wasn't until the 97/98 season, when shaped skis were introduced (two seasons after they hit alpine), that telemark skiing started to become practical for a broader market. Prior to these easy-turning boards that handled a wide range of snow conditions, telemark turns were still too difficult to master without years of practice. Now, on modern equipment, the learning curve is only slightly steeper than with alpine gear though it remains an aerobically exhausting quadriceps-burner for most.

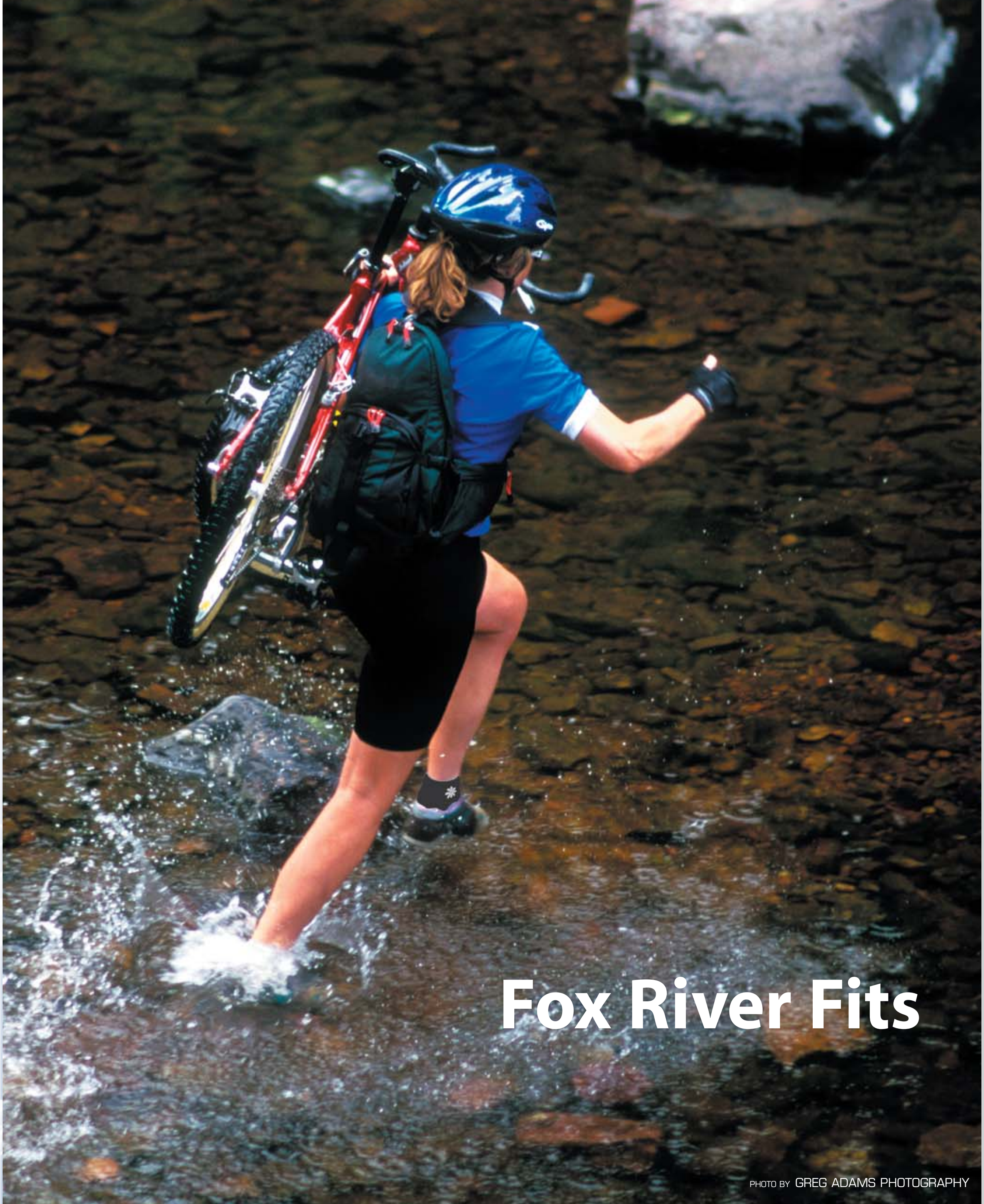
The ever-outspoken Gary Neptune, owner of Neptune Mountaineering in Boulder, Colo., argued that "the real reason tele will stay flat is that it is too difficult and offers no advantage whatsoever in its current heavy form over AT. It is, and always will be, just a cult offshoot."

While some will disagree the situation is as bad as Neptune asserted, nobody will deny there are easier ways of getting down a hill. What continues to bring alpine skiers and snowboarders to the telemark world is the feel of the turn. The additional challenge and going against the mainstream also attract certain personalities.

"Couloir magazine was founded in 1993 on the concept of spreading the earn-your-turns gospel. A key part of that plan was to convince everyone that all they had to do to enjoy well-earned fresh tracks was to use AT gear," said Dostie. "However, it became very apparent very early on that American backcountry skiers were in love with tele gear. I have always believed that this has hindered interest in backcountry skiing since telemark requires learning new skills and acquiring new gear."

Black Diamond has clearly moved to the heavy end of the equipment spectrum and away from lighter backcountry touring gear. Its lightest boot (Scarpa T4) has been discontinued next season and the mid-range Scarpa T2 has been beefed up further (and gained a pound).

Other brands, such as Karhu, have a more

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diverse offering and are seeing good numbers in backcountry touring skis such as the Pyxis, according to Sales Manager Charlie Lozner. He and others said they believe some tele skiers are getting fed up with the big boots and fat boards that weigh a ton, and increasingly are returning to the roots of backcountry skiing—albeit with infinitely better lightweight gear than in the past.

Lozner said he believes that three things have to happen for telemark to see significant growth: "The equipment must be promoted to and by high-end alpine shops; PSIA and ski schools must offer telemark lessons as standard fare instead of something consumers have to request; and telemark demo gear must be offered by rental shops along with alpine and snowboard gear." He acknowledged that outdoor specialty shops may lose some current business if this happens, but argued the smarter ones will benefit.

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## AT EVOLUTION

Alpine touring (aka ski mountaineering) has been practiced by a passionate, though even smaller fringe sect since the 1940s. While popular in Europe, the terrain in the United States was less conducive for the heavy, clunky gear of the time. Despite innovators like Paul Ramer who tried hard to improve equipment and popularize the sport, AT evolved slowly and never had mass appeal—until recently.

Since boots and skis were essentially the equal of the telemark counterparts, the significant growth of AT in the past few seasons can mostly be attributed to the improvement of the bindings that tour better than most telemark bindings, and will release in a bad fall or avalanche. At one extreme, the ultralight Dynafit binding system, though around since 1990, was getting fully dialed with a wider offering of boot models. While popular with ski racers, a sport too obscure to have much impact, the Dynafit setups are so much lighter than telemark gear that those interested in backcountry touring for pleasure have taken notice.

But what really sold AT to a larger crowd was the Fritschi bindings that started to offer the performance and high DIN ratings the hardcore skiers demanded—they could finally abandon their alpine bindings and touring adapters.

"Alpine Touring only requires switching a portion of a skier's gear arsenal, at least to begin enjoying the backcountry. It took the European manufacturers waking up to the fact that American skiers don't care about weight, that they measure performance in terms of releasability and durability," Dostie said. "Now thousands of alpine skiers are realizing that they can go into the backcountry too, and do it without learning a new set of skills, or compromising what they believe to be minimum equipment requirements. Never mind that they will eventually wake up to the fact that 'light is right.'"

Added Neptune, "I do believe AT will show growth because it has none of the disadvantages of tele, but in this country it will be very limited as compared to Europe: limited lifts, no hut systems like in the Alps, poor snow pack in the spring in the Rockies (Colorado is one of the few states with some potential), and no tradition of mountain touring. A little 'off-piste touring' will generate some sales."

According to Alpineer's Martin, "AT has been the big buzz in growth for some years now. Sure, I'll bet the growth percentages are big, but it's a relatively small market. I think it'll steal some thunder from tele growth and the two sports will grow at a moderate pace for three to four years and then both will be essentially flat because in our sedentary society, the universe of possible AT and tele skiers is not ever going to be huge."

## FEEDING THE JONES

As with any devout group of outdoor addicts, telemark and AT skiers need to get their fix even when they can't be on the snow. Serving this need are a couple of magazines and websites that "feed the tele and AT jones." Though mostly small, they are starting to see the rewards of a growing market.

The oldest publication, Couloir, started as a Xeroxed newsletter in 1988 that primarily reported on backcountry skiing for Southern California (now there's an oxymoron). It eventually became a magazine in 1993 and spawned an offshoot called Telemark Skier in 2002. Between the two, Dostie claimed, "it's fair to say that we now have at least 18,000, distinct paid readers." He said he believes they are about equally split between telemark and AT skiers, with some snowboarders in the mix.

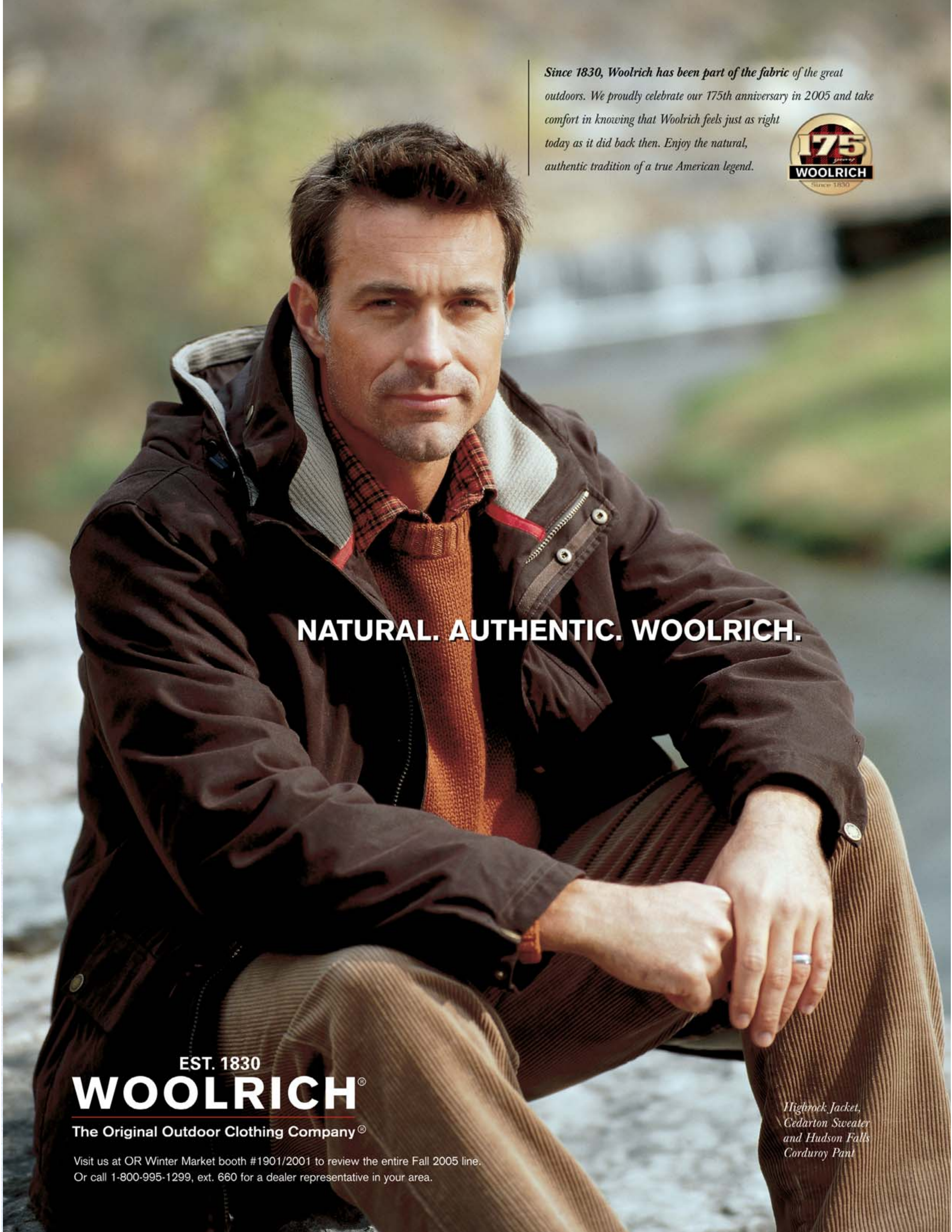
Backcountry Magazine launched in 1994 and offered more of a Colorado perspective on skiing. More a work of love than a profit engine, it was finally sold in 2002, moving to Vermont, where an influx of energy has revitalized the title. According to Publisher Adam Howard, the magazine now has a circulation of 15,600 and is growing and has a roughly 2-to-1 ratio of telemark and AT skiers.

"We've worked really hard this year on newsstand and retailer placement, mostly because it's low cost. And we are, after all, just a bunch of dirt-bags. So that's where the majority of our growth is," Howard said. "Actually, it's been huge, beyond our expectations. Next year we'll be able to implement a pretty significant direct mailing and marketing campaign as a result of nailing this base down. There are so many people that don't even know we exist yet. The growth potential is more exciting than how much we've already grown."

The smallest kid on the block is Off-Piste, which began publishing a free magazine in 1998 that was more for the Pacific Northwest. With four issues per year and a distribution of 6,300 copies, this remains mostly a local magazine with a loyal following.

Although Powder Magazine (circulation 70,000) is better known for alpine skiing, said Editor Tom Bie, "Backcountry coverage will likely see an increase, if for no other reason than myself and Matt Hansen are both primarily telemarkers and our readers seem to like the coverage. But probably not a major shift since Powder has always covered telemarking pretty heavily. I'd guess 25 or 30 per-

PHOTO BY LEE COHEN, COURTESY OF ROSSIGNOL.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cent of Powder readers either tele or AT ski, so we'll continue to follow it pretty closely."

Two of the most active websites for serious backcountry skiers are Telemarktips.com with 1,156 registered users and Biglines.com which has 4,000 unique visitors per day.

## GROWING OR NOT?

For several seasons, there has been talk about how alpine touring is growing. But there is no hard metric beyond pouring over individual company sales records. And general sales numbers only tell part of a story because a gain for one company in this market often comes at the expense of another, so it doesn't necessarily mean the sport as a whole is growing. Neither SIA nor OIA separates out the AT category in research, and none of the distributors are currently willing to share data for publication.

On the other hand, OIA began tracking telemark skier participation since 1998 through an annual Participation Study. Since then, the number of "enthusiasts," the core users who get out more often and buy more products, has increased 200 percent to about 659,000 telemark skiers—a number that has remained flat for two years. There does seem to be strong interest from the 16 to 24 year olds, but overall telemark skiers are aging; median age increased from 29.5 to 34.

The National Ski Area Association (NSAA) has tracked the percentage of users on telemark equipment since 1996 with an annual survey of 120,000 visitors. Its data shows that alpine skiers make up 67 percent of the people on the slope, snowboarders represent 27 percent, and telemark skiers account for approximately 2 percent. It noted growth in tele for the first few years, but said it has tapered off recently. Overall, the number of skier/snowboarder visits has remained flat at about 50 million per year for the past two decades so growth in one area generally comes at the expense of others.

One trend that may bode well for the telemark market is the resurgence of smaller, more affordable ski resorts. "The biggest change that I've seen in the last decade is the revival of the small and medium-sized ski areas around the country," said Michael Berry, president of NSAA. "I think actually they are doing very well now, better than probably any time in the last 20 or 25 years."

In comparison, the Sporting Goods Manufacturers Association estimates there were 13 million people on the slopes last year, about evenly divided between skiers and snowboarders (it doesn't track telemark).

Perhaps equally important to continued growth: There is something sensual about the way a telemark skier swoops and finesses his or her way down a slope. Famed filmmaker Warren Miller said alpine skiing rose in popularity for a similar reason. "I credit the growth of skiing during the 1950s and 1960s to Maria Bogner and her invention of stretch ski pants," said Miller. "Let's face it, sex sells. If we can't make skiing cheaper, we can at least make it more alluring."

**"Releasable is an idea whose time has come. In fact, it came years ago; the day people started venturing out into the backcountry on tele skis. Many who spend time in the backcountry know that releasable bindings can quite literally save your life in the event of an avalanche. Nobody wants their skis working like an anchor if they're caught in a slide. For those folks, releasable bindings are required equipment."**

*—Mike Martin, owner of The Alpineer and Telemarkskis.com*

## BACKCOUNTRY FUTURE

At the moment, we appear to be in a period of relative stability regarding product development—more evolution, no revolution. Skis, boots and all the accessories (poles, skins, beacons, etc.) appear to be reaching the zenith.

The much-anticipated New Telemark Norm (NTN) binding system is still stuck in perpetual limbo (as we predicted last year). This is looking more and more like a case of too-little-too-late-time-to-move-on. Should Rottefella and partners ever deliver a viable concept, there is the potential to kick the market up a notch. But it has to be incredibly dialed in and high performance to make people go "Wow," not "Yawn."

Both telemark and alpine touring have been plagued by unreliable bindings and inadequate testing. Last season, for a change, it was new AT bindings blowing up (Naxo and Silvretta Pure) while telemark bindings had relatively few problems. Since this season is one of refinement rather than innovation, shops should have to deal with fewer irate customers.

The AT binding market isn't likely to change much in the next few seasons unless a player like Marker decides to get back in. Garmont's Adrenalin boot with interchangeable soles for use in alpine or AT bindings is likely to generate more crossover skiers; the first boot that really does it all at a high standard.

An avalanche beacon offers only a thin hope for survival when you are skiing with 180 cm anchors bolted to the feet. The major shortcoming for most telemark bindings remains the lack of release. Only the Karhu 7TM has done a good job of addressing this issue, and it may well dominate the market in a few seasons if other companies don't get their acts together.

Perhaps because it's been bitten before by binding failures, Black Diamond is downplaying the importance of release. Most telemark skiers agree that for resort skiing, where much of the growth has occurred, that releasable bindings probably don't significantly increase safety since injury rates are already low. Thus, its flagship O2 binding, which is mostly made for the downhill, offers power and control but is less than ideal for the backcountry. Yet for skiers who want release, Black Diamond only offers the locked heel option at this point.

Martin rankles at the current bindings. "Here's where the industry is failing us most right now: Releasable is an idea whose time has come. In fact, it came years ago; the day people started venturing out into the backcountry on tele skis. Many who spend time in the backcountry know that releasable bindings can quite literally save your life in the event of an avalanche. Nobody wants their skis working like an anchor if they're caught in a slide. For those folks, releasable bindings are required equipment."

As the quest for "wow" product and reliable numbers continues, the backcountry scene now remains one of evolution, not revolution.

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