

Performance Sports RETAILER

News and Information for the Running and Triathlon Market

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—Aetrex iSteps it into Running Specialty

As the iStep foot-scanning system rolls out across the running channel, Aetrex's orthotics and footwear lines gain greater acceptance.

By Thomas J. Ryan

Aetrex Worldwide, Inc., founded in 1946, is well known in the medical community for its groundbreaking innovations in pedorthic footwear and foot orthotics. But in running specialty, the company is basically known as "the iStep guys." Since its launch in 2002, iStep has become the leading digital foot analysis system, expanding rapidly across the running specialty channel.

Featuring patented foot-scanning technology for both the retail and medical communities, Aetrex developed the iStep to help consumers identify their arch types, shoe sizes and pressure points. The "three essentials," as they are known in the pedorthic industry, provide guidance to custom select the ideal footwear and orthotics for customers' feet.

About four years ago, Aetrex started introducing iStep into running specialty, and expansion has taken off over the last two years. The warm reception to iStep is helping Aetrex bring its orthotics, footwear and sock lines into to the channel, as well.

"With the iStep, you stand on this machine and you capture the 'three essentials' in about 10 or 15 seconds, and then it custom selects the orthotic or shoe model that is ideal for your feet based on foot type," says Larry Schwartz, CEO of the family-run company. Although the system may recommend one of Aetrex's well-known Lynco orthotic models or an Aetrex running shoe, it can be customized to include other brands. Stores can buy the system, rent it for a nominal fee (\$200 per month) or get it for free, depending on the package of products included.



"We're helping retailers further connect with runners," says Schwartz. "If all you're doing is measuring the foot, that's not really doing anything more than other retailers and that's not really enough. You should identify arch type and pressure point. That's a big thing for runners. You shouldn't just measure the foot."

Moreover, iStep helps smaller comfort- and family-shoe retailers differentiate themselves in the marketplace and serves the same purpose for many running shops, such as Florida's Fit2Run and Georgia's Big Peach Running. In all, Aetrex has established more than 5,000 systems throughout the world in six years.

"In today's retail environment, these running retailers and independent retailers, in general, have all these difficult circumstances," says Schwartz.

"They're dealing with e-commerce, which is a threat for them because more and more consumers are buying online and, of course, they're dealing with the consolidation and competing against the big chains. So the way for a running retailer to survive is to offer unique experiences for these consumers that they can't get in other markets."

The iStep also features a host of marketing tools, allowing stores to begin building a database as soon as a customer steps on the machine. Retailers can use this stored information to stay in touch with customers or to send special targeted promotions.

"There's a feature where you can e-mail everybody that has flat feet or high-arch feet or those that bought a certain type product," says Schwartz. "Combined with the evaluation features, iStep really is something that can change the way you do business within the store. It's a great tool."



Running specialty retailers using the iStep can identify appropriate shoe models for their customers in 15 seconds..



The iStep is helping Aetrex gain ground in the running channel for its other footwear products. The company has experienced double-digit growth over last 12 years, thanks to successful technological innovations and favorable demographics.

"You have this aging population that wants to stay on their feet," says Schwartz. "If you talk to baby boomers, almost all of them are dealing with some sort of nagging injury. So our brand is about helping people to overcome and prevent these injuries. Our slogan is 'Living my Way.' We really believe that we can help people to continue to run or continue to do any activity that they love doing."

Aetrex's Lynco orthotics line has been the strongest seller into running specialty. Schwartz believes there's a huge opportunity in inserts as add-on sales for running shops, noting that some stores have built the category into a six-figure business.

"A lot of retailers look at it as an accessory business but orthotics can be a primary profit center for a running retailer," says Schwartz. "In fact, it should be."

In running footwear, the Aetrex Zoom and Web Runner series, launched about a year ago, have been selling well. The shoes feature the company's patented Mozaic insoles technology. The iStep system identifies the areas of a foot that experience the most pressure or discomfort, and Mozaic squares on the insoles are peeled away. The customized Mozaic insole then replaces the existing undersole layer to provide relief.

"We want to the unload the pressure points where there might be a risk for injury and that's typically at the ball of the foot or at the big toe, with all the pounding that a runner takes every day," says Schwartz. "By identifying these pressure points with the iStep band, the Mozaic can actually unload that pressure within the shoe. There's an immediate benefit for the runner."

Aetrex's line of Cooper Socks has also gained some traction in the running community. The product helps rejuvenate the skin and eliminate fungus and bacteria. "Your feet will look younger after wearing the socks for a month," says Schwartz. "It's pretty cool."

Running shops are finding several ways to capitalize on the iStep system.

At Baltimore Running, which does business as Falls Road Running, the iStep adds some excitement to the selling floor.

"There's a certain 'Wow!' factor to it with all the colors," says James Adams, owner at Baltimore Running, which has had the iStep for about a year-and-a-half. "People want to get on it and get their feet scanned."



Driven by technical innovations, Aetrex has experienced double-digit growth over the last 12 years.

But it also works as a selling aid. The store does extensive gait analysis and the machine backs up the resulting shoe recommendation.

"It kind of validates what we're doing," says Adams. "We'll tell someone they should be in a stability shoe and he may have doubts. But when we put him on the machine and they see all their pressure points, they're like, 'Wow! You're right.'"

The store doesn't use the iStep to specifically drive insert sales, focusing instead on getting customers in the right shoe first. But, if the customer

continues to be aggravated in finding the right shoe, the iStep helps find the right insert. The store has done well with the four Lynco sports orthotics lines for customers having arch issues. The store also carries SuperFeet and Spenco, as well as PowerSteps, New Balance Pressure Relief and Sole custom footbeds.

Naperville Running doesn't use the iStep as the sole determiner of the right shoe for a customer. The fitting process also includes video and treadmill analysis, with particular interest in the ankle joints and knees, says Kris Hartner, owner.

But the iStep, which Naperville Running has had in place for about a year, has clearly helped provide a point of differentiation from nearby running stores and from other shoe retailers. It also helps the store provide customers with a personal fit.

"Probably the biggest thing is that it actually gives us an accurate measure of everybody's foot size," adds Hartner. "We also use the Brannock device, which has to be slightly adjusted depending on whether the customer is male or female. So we put our customers on the iStep and it gives us a nice readout. It often further reinforces what we're suggesting for a customer."

The iStep system has also drawn attention to footbed sales, and the store has had some success with the Lynco orthotics line. It also aids in the store's ability to fill doctors' referrals.

"Their footbeds are \$60, so they're a little bit more expensive, but the product is very light, comfortable and well made," says Hartner. "And there are four different options, so it can accommodate a nice range of people."

Schwartz said Aetrex is just starting to offer footwear solutions for running shops.

"We expect to do great things in this market. We really do," says Schwartz. "We think, out of all the athletic markets, the running retail space is the one that really matches Aetrex's strategy. We spend our time and energy talking about creating unique products and technologies for service-oriented retailers who want to differentiate their business against these competitive threats that they face and that is what a running retailer needs. So we think that, as more and more stores hear about the success that our customers are having with iStep, we're going to keep growing."