

## Nike vs The Bike Business: David 4, Goliath 0

Let me be among the first to congratulate Dick Moran and his colleagues at Trek on their timely decision to part ways with Nike. Whether the Boys from Waterloo fell, jumped, or were pushed from their contract isn't really the point. What's far more important is that the decision is a good one for Trek, for Nike, and best of all, good for the entire cycling industry.

Of course Nike doesn't need Trek. Nike needs—or needed, anyway—Lance Armstrong, a great champion with a story so compelling that even if the Swooshsters had to build, buy, or rent a product line in order to have something salable with Mr. Armstrong's name attached to it, well, it was worth doing. For a few years, anyway. Besides if there's even an entry in the Nike's 16-billion-dollar budget for cycling, it's probably a sub-sub entry in a Sports Marketing line-item titled "Lance," and it's labeled "Overhead".

To Nike, the fact that Lance happens to be the greatest bicycle racer of his own or arguably any other generation was a fluke at best, a minor bit of irony at worst. Lest we forget, Nike had already taken a run at the bike business *three times* since the late '80's, swaggering into town on each occasion like our own worst nightmare and each time found themselves on the receiving end of savage and humiliating public beatdowns at the hands of smaller, quicker, more industry-savvy competitors. Competitors who actually knew something about the sport of cycling and were in the business of designing real cycling products for real cyclists.

Second, and let's be very clear about this, Trek doesn't need Nike. Sure the multimillion dollar TV ads didn't hurt, but they also obscured a pivotal and—for the perpetually inadequacy-deluded denizens of the bike business, anyway—subtle point: *people who think Nikes will make them look like a certain Tour de France champion don't buy many pairs of high-end cycling shoes from specialty retailers. Or bikes, for that matter. And the people who do buy those hundred-dollar-and-up cycling shoes (and the apparel to match) don't much care whether the Nike brand is on them.* In fact, they'd rather have a brand whose value isn't diluted by its stranglehold on every other sport from network-fueled extravaganzas like baseball and basketball right on down the ladder to competitive cheerleading and intramural nose-picking. Let's face it. People who care enough to buy a \$100 pair of cycling shoes want a brand that's first, foremost, and forever about the sport they love. A brand like Trek, for instance.

Which brings me to the third and most interesting point. After a few years spent learning the shoe and apparel businesses from their ex-partners in Beaverton, I'm betting that Trek can make better cycling products than Nike ever could. Of course other brands I could mention have spent the past few years doing exactly that—it's not like Trek's getting a free ride here. And with the notable exception of Bontrager tires, Trek has never been particularly successful with soft goods. But the point is, if cycling brands can hold their own against a corporate behemoth like Nike, even when it has access to the massive Trek distribution footprint and salesforce, then maybe, just maybe, we're a whole lot smarter here in the bike business than we think we are. And that when it comes to actually selling cycling shoes & apparel (or any other product for that matter), relatively small brands who really understand what their customers want (as opposed to what a bunch of marketing guys in thousand-dollar suits tell them) will beat the corporate behemoths every time. In this case, four times out of four.

*Rick Vosper (minus the thousand-dollar suit) is owner of Rick Vosper Marketing Services. He knows about shoes, too, having worked as Director of Marketing for Specialized and VP of Marketing for Veltec Sports, distributors of the Sidi brand in the USA.*