

# Iron Determination



Infuse stamina into your brand by learning the brand management regime of Ironman.

By Terry Grapentine

**THE IRONMAN** competition can be called just a triathlon if the Porsche can be called just a car. Like the German racing vehicle, Ironman isn't only a world-class product with attention-getting marketing communications. Effective marketing management plays a prominent role in the success of both brands.

Ironman is the world's most challenging endurance event, comprising a 2.4-mile swim, a 112-mile bike ride, and a 26.2-mile run: 140.6 miles total. World Triathlon Corporation (WTC) in Tarpon Springs, Fla., owns the brand name.

## A Brief History

It all started in 1978, with a debate among a group of participants in a Hawaiian running race. Who is the most fit—a swimmer, biker, or runner?

Running (married) couple John and Judy Collins came up with an idea to settle the issue: Do all three. "Whoever finishes first," John said, "we'll call the Ironman." With no spectacle or fanfare, this swashbuckling set of 15 exercise enthusiasts ran their inaugural race on Feb. 18 of that year.

The race gained some prominence a year later, when *Sports Illustrated's* Barry McDermott wrote a 10-page spread about the event. In 1980, ABC's *Wide World of Sports* covered it. And in

1982, Julie Moss captured the world's attention—by fighting exhaustion and dehydration to literally crawl across the finish line in second place behind Kathleen McCartney, who took the women's division title. "Her courage and determination inspires millions and creates the Ironman mantra that just finishing is a victory," according to Ironman's official Web site, [ironman.com](http://ironman.com).

In 1989, Jim Gills (an ophthalmologist, eye surgeon, and swim/bike/run enthusiast) purchased the event and the Ironman brand name. Last year, 17 years later, WTC put on more than 35 Ironman and Ironman 70.3 events (half-Ironman distance triathlons) around the globe. (I'm proud to state that I am a 2006 Ford Ironman Florida Triathlon finisher.)

## Brand Management

Bill Potts, vice president of marketing and business development for WTC, came from Foster Grant (the sunglasses people). There, he directed marketing activities and worked with WTC to cobrand select Foster Grant products. He's been with WTC for more than two years. In a recent interview, Potts shared his unique insight into and perspective on Ironman's achievements. And he addressed how WTC alloyed sound

brand management and efficient business organization to forge the Ironman brand.

Potts identified 10 business and marketing principles underlying Ironman's success:

1. Be sure employees share the organization's core values.
2. Have a business structure that minimizes organizational politics.
3. Go slow; develop and nurture an authentic brand.
4. Differentiate on quality.
5. Emphasize brand image over tag lines.
6. Create synergistic cobranding alliances.
7. Effectively target marketing communications.
8. Focus on emotions.
9. Develop distinct brand extensions.
10. Manage the brand's DNA. Take a long-term view when selecting Ironman brand partners (licensees and sponsors). And apply quantitative measurements to gauge whether prospective partners fit with Ironman brand goals.

Not everyone who works for WTC is an “Ironman.” But in varying degrees, nearly everyone is physically active and believes that exercise benefits a person’s mental and physical health. This sharing of core values helps motivate employees to do their jobs well. In addition, Ironman brand partners and employees must share other core values such as integrity, commitment, perseverance, and excellence.

WTC calls this its inside-out strategy. Competitors might be able to stage similar triathlons or launch competitively licensed products, but they likely won’t employ the same kind of people: employees who possess a passion for building a quality product, because they believe in the product’s philosophy. After all, machines don’t produce an Ironman triathlon; people do.

Such a strategy can be an integral part of any company’s competitive edge in the marketplace. Poor relations between employees and management don’t seem to foster product quality, as we’ve seen in the U.S. auto industry. And all the companies on *Fortune* magazine’s 2006 list of America’s most admired companies are revered, in part, for their high employee morale, shared employer/employee values, management quality, and top-quality products (e.g., General Electric, Federal Express, Southwest Airlines, Starbucks, Dell, Toyota).

## Business Structures

Experts in service quality management contend that multiple management tiers and complex organizational structures insulate senior management from the customer.

This would make it difficult for employees who know the customer best—event organizers and managers who attend Ironman events—to communicate marketing knowledge to it. At

WTC, there are few layers of management. And the most senior marketing executives frequent Ironman events throughout the year, to observe first-hand how the customer consumes their product (and licensed product partners’ products). Over the years, this kind of ethnographic research has led to:

- better organization of transition areas, where participants transition from swimming to biking and biking to running;
- improved safety protocols and procedures during the 2.4-mile swim, often in an ocean;
- and enhanced logistics of managing the thousands of spectators.

## Brand Authenticity

WTC touts the brand’s authenticity. This means that customers sparked the initial development of the brand’s image, which WTC then carefully followed and nurtured. This is in stark contrast to how many products are launched today—with the brand’s image defined prior to product launch, and product introduction supported

with massive marketing expenditures. Something is clearly wrong with the latter model, given the number of new products that eventually fail in the marketplace. By one estimate, nearly 50% of the resources and investments that companies devote to new-product development result in either (1) products failing in the market or (2) product ideas never making it to launch.

## There is nothing superficial here— no marketing fads.

Another dimension to an authentic brand is that it meets a set of basic human needs. There is nothing superficial here—no marketing fads. As an endurance event, Ironman helps fulfill physiological and psychological needs. Additionally, Ironman events tap into feelings of positive self-worth, and the Ironman finisher’s image is a respectable one.

Finally, management develops and nurtures authentic brands slowly. Its eye is on the long run, not on next quarter’s results. For example: Since 1989, WTC’s philosophy toward the Ironman brand has been controlled and managed growth. Arguably, worldwide potential demand for full-distance Ironman events is much stronger than what the current roster of 17 is fulfilling. Yet as part of its brand management philosophy, WTC holds competition venues to a high standard; they are “vacation destinations.” And it won’t sacrifice this standard to increase product supply—much to the chagrin of triathletes living in Iowa!

## Quality Differentiation

Just as the golden rule of real estate is “location, location, location,” so too is a guiding brand management philosophy for Ironman “quality, quality, quality.”

Of course, quality costs money—and

it’s no secret that Ironman-branded triathlons typically cost more than competing events. But it’s also no secret that Ironman events sell out in hours.

The marketing literature holds abundant evidence that brands commanding relatively higher prices in the market generally have more stable market shares, and produce greater profits. For instance: In its profit impact of market strategy database analysis (at [www.pimsonline.com](http://www.pimsonline.com)), The Strategic Planning Institute finds that “competing

on quality is better than many other options,” such as price. Strategies focused on relative quality and relative price are among the “key strategic factors influencing business performance.” In fact, many researchers have discovered that perceived product quality is the single most important predictor of a company’s return on investment; it has a greater influence than market share, advertising expenditures, and research and development.

## Brand Image

Certainly, tag lines help fulfill many marketing communication objectives. For instance, they help communicate an important benefit to target customers. But if they’re so good, then why do companies change them so often?

The philosophy behind building an authentic brand: The brand is so powerful that it doesn’t need a tag line. In nearly 20 years, the Ironman logo has never changed—and a tag line has never accompanied it in print media. (Actually, Ironman did develop the tag line “anything is possible,” but used it only as part of a 25th anniversary celebration.)

Perhaps companies should take all the money and time they invest in creating ephemeral tag lines, and invest in developing substantive tactics for the long-term health of their brands.

## Cobranding Alliances

For some companies, cobranding is an important source of revenue and a medium for building a brand’s equity and reach. The cobranding strategy is growing, according to the national consulting firm McKinsey. It reports that there’s been a 20% annual increase in cobranding and corporate branding alliances over the past two decades. And many companies state that cobranding relationships account for a quarter or more of their corporate revenues.

Companies from around the world besiege WTC with requests to carry the

Ironman brand on their products.

Perhaps the most famous example of Ironman cobranding is with Timex, but it has formed other successful partnerships with Tanita body composition monitors, Visa, Gatorade, and Fig Newtons.

However, WTC’s brand management philosophy dictates strict criteria for licensing the Ironman name on others’ products.

**Companies entering into a cobranding alliance must equally benefit.** WTC won’t disclose its financial arrangements with cobranding sponsors. But it’s fairly clear that Timex has benefited from the decade-long relationship—with its popular Timex Ironman sports watch.

**The brands must complement each other.** For this to happen, there must be a synergistic relationship between the brands. Clearly, the cobranding relation-



ship between Ironman and Gatorade is synergistic: Ironman is an endurance sport, and Gatorade is an endurance sports drink.

**Customers must readily identify the rationale for the linkage.** The reason underlying the relationship must be obvious. This is evident in WTC’s alliances with both Timex and Gatorade, and more recently with Degree deodorant, Aqua Sphere swim equipment, and Cannondale bikes.

**The licensed products must be differentiated from the competition and from the licensee’s own product line.** Tanita Ironman body composition monitors sell so well because they are unique in product features, packaging, and pricing—not only from the competition, but also from Tanita’s own product line of monitors.

## Targeted Communications

An integrated and targeted marketing communications strategy is a key element of effective brand management.

It focuses your message on the critical audience (as opposed to the mass market), saves advertising dollars, and forces marketing management to tailor the message to the particular customer you’re trying to reach.

WTC has successfully integrated TV, the Internet, and print advertising to effectively communicate with its major target markets: triathletes and general consumers. Many thriving product marketers use this strategy today. Can you think of a popular product that doesn’t have a supporting Web site?

**TV.** WTC has won 13 Emmys for its Ironman event-focused TV shows that appear on NBC and Versus (formerly Outdoor Life Network or OLN). These attract athletes of all types, as well as that general consumer who finds Ironman events fascinating to watch.

**The Internet.** The company’s Web site provides a wealth of information on the sport, upcoming events, and advertising for licensed products. Select Ironman events even feature live video feeds.

**Print advertising.** Print communications include Ironman event advertising, PR articles on Ironman events (especially the Ford Ironman World Championship in Kailua-Kona, Hawaii), licensee advertising for Ironman-branded products, and even special magazine editions in conjunction with *Triathlete* magazine, such as “2006 Official Qualifiers Guide: The Road to Kona.”

## Emotional Focus

WTC has been remarkably successful in capitalizing on the links between:

- product benefits, or what a product does;
- end-benefits, or a benefit derived from what a product does (a benefit of a benefit);
- and end-end-benefits, or how a product affects consumer emotions, self-image, and the image one projects to others.

**Product benefits.** The primary benefit of an Ironman event is that it provides triathletes with a competition venue. Observe a critical product-distribution strategy: WTC holds Ironman events at some of the most beautiful beach and lake areas of the world (e.g., Canary Islands in Spain, Lake Placid in New York). Additionally, WTC delivers its product with world-class quality control. It impeccably manages the events—with well-organized transition areas, medical and support personnel to aid athletes when needed, and plenty of room and conveniences for families and friends to observe them.

**End-benefits.** Competition locations and participation in an Ironman event deliver unequalled end-benefits to the triathletes. For instance, quality management of the event gives them a sense of security. And it enhances the experience of participating in something that, for most, will last 12 hours or more. Again, venues become vacation destinations for participants and their families—with recreational resources offering something for everyone.

**End-end-benefits.** The effects of these emotional benefits cannot be overstated. Finishers feel an exceedingly high sense of accomplishment, excitement, joy, and personal reward. And these feelings are enhanced because it is more than just a triathlon; it is an Ironman triathlon.

David Aaker captures the importance of end-end-benefits in *Building Strong Brands* (The Free Press, 1996). “The premise of the self-expression model is that for certain groups of customers, some brands become vehicles to express a part of their self-identity. This self-identity can be their actual identity or an ideal self to which they might aspire.”

Consumers who strap on a Timex Ironman watch or consume other Ironman-branded products can share in the brand’s excitement, and project a unique image of themselves to others. “[A] brand that captures your mind

gains behavior,” says brand strategist Scott Talgo. “A brand that captures your heart gains commitment.” And for many consumer products, what a brand expresses about you is just as important as the brand image itself.

## Brand Extensions

In 2005, WTC launched a brand extension: a half-Ironman distance triathlon. In doing so, it confronted a brand-naming challenge. How do you create a distinct new product, but not have its name dilute your franchise?

The company considered a number of strategies and trade-offs. It contemplated developing a name independent of the Ironman brand, but it wouldn’t have been able to leverage Ironman’s strong brand image. It eschewed any reference to a “half-Iron distance” race, because many triathlons throughout the world advertise themselves as half-Iron events.

WTC followed a strategy that Philip Kotler describes as a “company trade name combined with individual product names” in *Marketing Management* (Prentice Hall, 2000). Many successful companies follow it, such as Kellogg (e.g., Kellogg’s Rice Krispies, Kellogg’s Raisin Bran, Kellogg’s Corn Flakes).

“Ironman 70.3” thus was born. It reflects half the distance of an Ironman event (70.3 miles): a 1.2-mile swim, a 56-mile bike ride, and a 13.1-mile run. The strategy leverages the force of the Ironman brand, yet uses a descriptor of the event’s distance that no other race sponsor had used. Ironman 70.3 events have become a resounding success. In fact, many now refer to such an event as simply a “70.3.”

## DNA Management

The key to brand management is managing a system, not a series of discrete and independent parts. The previous brand management philosophies must be integrated—from hiring, training, and motivating good employees who share the brand’s values to deliver-

ing the product and working with cobranding partners.

A breakdown in any one of these elements will affect the others, according to Potts.

## Idea Growth

Serendipity has sparked many product inventions:

- When he wasn’t dodging bullets, Forrest Mars Sr. was observing soldiers in the Spanish Civil War coating their chocolate with sugar. Thus was born the “melts in your mouth not in your hand” candy, M&Ms.
- In 1957, a pair of entrepreneurial engineers ironed together two sheets of plastic, which caused the fused sheets to be pockmarked with air bubbles. Their intent was to create a modern-looking shower curtain. But they ended up founding a company that sold the first bubble wrap to IBM, as packaging material for computers.
- It was at an Oahu, Hawaii, banquet for a local running event that the group of hypercompetitive athletes argued about who was the most fit (a swimmer, biker, or runner). By the way, Gordon Haller won the first Ironman with a time of 11:46:58; he was a runner.

Luck might have planted the seeds of success for many products and companies, but it takes sound brand management principles to nurture and grow a budding idea to its full potential. Clearly, Ironman is a stellar example of how brand management excellence can further a brand’s stamina in the marketplace. ■

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