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9B19M045

Striders: Running toward or away from growth?

Gayathri Sampath and Akarsh Mahendra wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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It was Tuesday, January 30, 2018, a week after the 15th Tata Mumbai Marathon. Praful Uchil and Deepak Londhe, founders of Strider Miles (Striders), a fitness and running club headquartered in Mumbai, India, were waiting in the office of Ram Bhatt, chief executive officer (CEO) of India’s largest automotive manufacturing company and long-time Striders member. Bhatt said that his association with Striders over the last decade had helped him achieve many fitness milestones, and he wanted to recognize the efforts of the team. He felt that Striders had managed to bring about positive changes in many people’s lives through the club’s commitment and passion, and it was now time for the founders to think seriously about growing Striders.

To give an impetus to Striders’ growth, Bhatt and a few other Striders members had proposed a corpus of ₹10 million[[1]](#endnote-1) to invest in Striders, with the option to increase the investment over time. That Tuesday in January, Bhatt urged Uchil and Londhe to consider his proposal and come back with a tentative business proposal for further discussions.

Stunned by the gracious offer, Uchil and Londhe drove back to their office in Central Mumbai in silence. Growth for Striders over the last decade had coincided with a boom in running in the country. The founders wondered if Striders, a company managed by athletes, was equipped to handle the kind of growth their well-wishers were talking about. The sound of an angry horn honking from behind shook Uchil and Londhe out of their reverie; they had missed their green traffic light. Was this symbolic of Striders’ inertia or lack of attention to their surroundings?

marathons IN INDIA

Since the early 2000s, marathons had been attracting a great deal of attention in India, with over 1,000 recorded races in 2017 (see Exhibit 1). The increasing popularity of running among celebrities and business leaders had led to running being termed the “new golf.” Running created huge networking opportunities.[[2]](#endnote-2)

The inaugural Standard Chartered Mumbai Marathon (SCMM) was held on January 18, 2004, with Standard Chartered Bank as the title sponsor.[[3]](#endnote-3) The event was a great success, with over 22,000 participants and raising over ₹14.4 million for charity.[[4]](#endnote-4) In 2005, the country’s next marathon, the Airtel Delhi Half Marathon, was organized in New Delhi and sponsored by telecommunications company Bharti Airtel Ltd. (Airtel).[[5]](#endnote-5) By 2017, many Indian cities had hosted running events, attracting runners from all over the country, but the cities of Mumbai, Chennai, Delhi-NCR, and Bangalore accounted for more than 50 per cent of the events organized (see Exhibit 2).

Marathons had become a popular and significant source of charity in India, with many races offering runners the option of topping up their registration fees with a donation to charity.In the 2018 edition of the Mumbai Marathon (renamed the Tata Mumbai Marathon after a change in the title sponsor), around 44,000 runners of over 30 nationalities took part in the six race categories and raised over₹260 million for charity.[[6]](#endnote-6) In September 2018, the Tata Mumbai Marathon was accorded Gold Label status by the International Association of Athletics Federations, making it the only Gold Label marathon in India and one of the top 10 marathons worldwide.[[7]](#endnote-7) The Airtel Delhi Half Marathon and the Tata Consultancy Services Bengaluru World 10K were also Gold Label races, albeit for shorter distances.[[8]](#endnote-8)

Marathons and road running had become popular with all age groups. An analysis conducted by Eventjini (a software solutions provider for race organizers) of registrationsacross 500 races in India in 2017 found that the number of older runners (aged 30–50) running half and full marathons was five times more than the number of runners in their 20s.[[9]](#endnote-9) Amateur and first-time runners preferred shorter runs (5 kilometres [km] and 10 km), and the study found these distances were among the most popular registration categories, accounting for 65 per cent of the organized runs (see Exhibit 3).Experienced runners, following the global trend,[[10]](#endnote-10) were going beyond half and full marathons and competing in triathlons and ultra-marathons in increasing numbers.[[11]](#endnote-11) In 2017, 120 Indian runners (the largest contingent by a country) took part in the Comrades Marathon (Comrades) of 86.73 km, rated one of the world’s toughest ultra-marathons.[[12]](#endnote-12) (An ultra-marathon was any long-distance running race longer than a marathon [26 miles/42.195 km]). There had been just one participant in 2009.[[13]](#endnote-13)

The growing number of both running events and runners made running event sponsorship a prestigious and enduring form of advertisement for companies—as seen in both the Mumbai and Delhi marathons, which were closely linked to their title sponsors, Standard Chartered Bank (now sponsored by Tata Consultancy Services)[[14]](#endnote-14) and Airtel, respectively. Indian corporates also sponsored marathons across the world to gain visibility in global markets. Tata Consultancy Services sponsored marathons in Boston, New York, Chicago, Berlin, and Amsterdam, while Wipro Ltd., another globally reputed software company, was the title sponsor of the San Francisco Marathon and an associate sponsor of the Sydney Marathon.[[15]](#endnote-15) Sportswear brands, in addition to associating with or sponsoring marathons, independently organized their own running events. The PUMA Urban Stampede (a corporate relay race for amateurs) was organized every year across various Indian cities by Runners for Life (a running group) in partnership with sportswear brand PUMA.[[16]](#endnote-16)

Strider Miles

The Beginning

Uchil and Londhe first met in 1998 at an athletic training camp at the Sports Authority of India training facility in Mumbai, while training under Coach Santosh Varghese for a national athletic meet. Both Uchil and Londhe had competed in running events at the national level throughout school and college, and they had continued competing even after they started pursuing their careers. Uchil worked for Life Insurance Corporation, a state-owned insurance company, and Londhe was employed with Mumbai Port Trust. Both organizations encouraged employees’ participation in sporting meets.

In 2002, at the request of Varghese, Uchil and Londhe conducted a fitness camp for children at the Sports Authority of India facility in Mumbai. Uchil and Londhe accepted the proposal because running the camp would mean some extra money without disrupting their day jobs or training schedules. The camp was offered under the brand name “The Striders” andoffered a mix of general fitness and functional training to around 75 children in two batches, one group from 5:00 a.m. to 7:00 a.m. and the other from 6:00 p.m. to 8:00 p.m. Uchil and Londhe earned ₹20,000 from the camp. In 2003, the second season of The Striders fitness camp for children had about 80 enrolments, and Uchil and Londhe earned ₹30,000.

The enthusiastic response from both parents and children to their fitness routines made Uchil and Londhe confident they could explore this opportunity on a larger scale. Further, due to the tropical climate, most amateur athletic training in Mumbai and other parts of India was scheduled for either early morning or late evening. This schedule enabled fitness-conscious working professionals to also join in. Uchil and Londhe liked the idea of conducting their coaching sessions at such times because they did not affect their day jobs. They started discussing how they could build The Striders into something bigger.

The Early Years (2004–2010)

In June 2003, Uchil was invited by the Bombay City District Amateur Athletic Association to be part of the team of organizers and volunteers for the SCMM in January 2004. Uchil had a trackside view of the excitement around the race and the enthusiasm of the participants. It was the first time that amateur runners could run alongside elite and professional runners, and the event was a resounding success. Uchil was convinced that an opportunity existed to bring a focused and regimented approach to running, and he again broached Londhe with the idea of Striders. They got an opportunity to test their idea in the months prior to the second edition of the SCMM.

In November 2004, GiveIndia, the charity partner for the SCMM,[[17]](#endnote-17) connected Striders with a large Indian banking conglomerate to train 20 of its employees for the SCMM Dream Run, a 7-km run. The training was of three months’ duration, to be conducted after office hours near the company’s office in Bandra, a suburb in Western Mumbai. This was Striders’ first client, and the contract value was ₹15,000. None of the 20 employees who had signed up for the training had a running background. So Londhe and Uchil put together a training program to improve the fitness levels of their members over the three-month period and ensure they could complete the run. At the SCMM, held on January 16, 2005, all 20 members of this group successfully completed the Dream Run. Five of this first batch of 20 were currently still Striders members.

For the 2006 SCMM, Procam International Pvt. Ltd. (Procam), the event organizers,[[18]](#endnote-18) appointed Talwalkars, a popular chain of gyms in Mumbai, as training partners. Talwalkars in turn approached athletic clubs in different parts of Mumbai to train interested participants. Two suburbs of Central Mumbai were assigned to Striders with a contract value of ₹30,000. Each centre had approximately 20 people participating in the 7-km Dream Run. From November 2005 to January 2006, Monday through Saturday, Uchil and Londhe would leave their homes in the suburbs by 4:30 a.m. to start the sessions at 5:30 a.m. Each weekday session lasted around 90 minutes, after which Uchil and Londhe would head to their day jobs. They would again be back at their respective centres by 7:30 p.m. for sessions with the second batch of members. Seven members of the first batch from 2004 also asked Striders to train them for the 7-km run and joined one of the two centres based on their convenience. Dorai, one of the members from the 2004–-2005 batch, recalled,

I was a typical overweight bank executive until I met Uchil. I remember many training sessions where there would just be one to two of us for the early morning training, but it never affected the passion and commitment of Praful or Deepak. Their energy was infectious and soon many of us started pushing ourselves to do better. Praful and Deepak were with us throughout this journey, always motivating, always encouraging. I have now run 12 half-marathons both in India and abroad. Not bad, right, for someone who had never run even 100 metres before!

Over the two years from 2004 to 2006, Uchil and Londhe became popular among amateur runners based on the performance of their members at the SCMM. Many first-time runners started approaching Uchil and Londhe for regular training. At the same time, many existing Striders members had increased their running distances and wanted to run half and full marathons. This led to enquiries for more intense and focused training for the longer runs. In 2007, Uchil and Londhe floated a year-round running program in their two Central Mumbai centres, which was received enthusiastically by their existing members. In 2008, based on enquiries, Striders added three new training centres in the suburbs and recruited Rohan Singh, a national-level athlete, as a trainer. By 2010, Striders had grown to eight centres in Mumbai, added four more trainers (in addition to the founders and Singh), and had 70 members.

Striders conducted its training in public places such as the beach or a sporting ground that could be easily accessed by its members. Striders’ training philosophy was that “everybody can run,” and the coaching was aimed at helping amateurs to run without injuries and have fun while doing it. While members often joined Striders with the intention of running in half or full marathons, the trainers also focused on building overall fitness and stamina (see Exhibit 4). In addition to the training at centres during weekdays, Striders planned a joint run and fitness session for members across centres on Sundays at a common venue. The Sunday runs were typically longer and mimicked marathon routes. They included pre- and post-run stretches and exercises.

2011—June 2018

In November 2011, Bhatt approached Striders about training 20 members of his team, including himself, for the SCMM half-marathon in 2012; 16 of these people, including Bhatt, a first-time long distance runner, completed the half-marathon that year. The team’s experience with Striders in the SCMM led Bhatt to extend the Striders training program to his companies’ offices across India. This was Striders’ first corporate contract.

By the end of 2012, Striders had centres in 12 cities across India, dedicated exclusively to training 600 employees from Bhatt’s company. Membership in the Mumbai centres also continued to grow steadily. Many of Striders’ members were competing regularly at both national and international running events, often registering for races as a group. Uchil said, “Running is a solitary pursuit, but at Striders, we wanted to make it a community experience. For the many beginners in our centres, running in a group helps them improve their confidence and prepares them better for running solo later.”

In 2013, the CEO of a financial services company headquartered in Mumbai approached Striders about training his employees for running the SCMM. The CEO was an avid runner and wanted to promote a fitness culture within his company. Employees of the company were welcome to join Striders at existing training locations, and the company paid the membership fees directly to Striders. By this time, Striders had 20 trainers to handle the increasing number of centres (12 across India, 8 in Mumbai). Uchil and Londhe visited each centre at least once a week to stay in touch with their members.

Around this time, Striders trainers noticed that many of their members had not joined Striders with a desire to run a half or full marathon; rather, their motives were often related to losing weight and improving fitness. Fitness clubs or gyms were often the alternatives that members considered. In response to this changing trend, Uchil and Londhe expanded their training routines to include calisthenics and stretching activities, strength and anaerobic training to enhance speed, and various breathing exercises to aid faster recovery from fatigue. The program proved so effective that corporates, many from the information technology and banking sectors, started contacting Striders to organize programs for their employees’ health and fitness.

On May 29, 2016, twelve Striders members ran together in the Comrades after training with Striders for over eight months. It was the first time anyone from Striders had attempted an ultra-marathon. The participants in the Comrades were all white-collar professionals and members of one of the Central Mumbai Striders training centres. On the day of the run, all the members of that centre who were still back in India tracked the race using sports applications (apps), cheering every milestone and celebrating their joint success.[[19]](#endnote-19) In 2017, 18 Striders members completed the Comrades (7 of them had competed in 2016), and the 2018 edition of the run, scheduled for June, had 27 registrants from Striders.

Event Management

In 2012, Hiranandani Constructions Pvt. Ltd. a leading Mumbai builder, approached Striders to organize a half-marathon in the builder’s newly constructed housing complex in Thane, a suburb of Mumbai. The builder wanted to promote his project and believed a winding run through the project would garner publicity for it while also raising money for charity. This was the first public event organized by Striders. Close to 4,000 runners took part in the first edition of the race. The event raised close to ₹4 million for charity, and Striders’ earning from the event was ₹800,000.

After the success of this event, in 2012 Uchil decided to quit his day job and focus exclusively on Striders. By the end of financial year 2017–2018 (March 31, 2018), Striders had 2,000 members (about 1,200 corporate and 800 retail) across 12 cities, and 20 centres employing 59 people. In addition, Striders had the exclusive organizing rights for 11 events across India. Revenues touched ₹80 million with almost no formal advertising or publicity (see Exhibit 5).

Striders did not believe in marketing because Uchil and Londhe believed that if their training outcomes were effective, people would come on their own. Londhe said, “We didn’t start Striders with the objective of making money. It was [Varghese] who nudged us to do something more with our training. We are athletes, not businessmen. When we or our trainers go to the centres, billing and collections are the last things on our mind. Sweaty, tired, but happy faces are what we look for—what keeps us going.”

The Striders team

In 2011, Strider Miles was registered as a private limited company, with Uchil and Londhe bringing in the equity capital from their personal funds. Londhe oversaw the training aspect of the business while Uchil handled the corporate clients and event business. Singh acted as senior trainer, having the dual responsibility of leading a suburban Mumbai centre and overseeing administrative matters relating to trainers—attendance, leave, and training schedules. In 2012, six long-standing Striders members, who were senior industry executives, came on board as advisors to the company, but they held no equity in it.

Trainers

Striders’ founders felt that athletes like themselves who had undergone similar training would be ideal as trainers. In India, state-owned enterprises and public sector units offered sports quota employment to budding athletes. However, hiring activity at these companies had slowed down over the last two decades due to their distressed financial condition, leading to many applicants for few sports quota positions. Many athletes either gave up sport completely or looked for alternative employment in the unorganized health and fitness industry.

Striders worked with a network of state- and national-level coaches to find candidates who would be interested in working with the club. Many trainers felt that in the absence of secure government jobs, this was the next best alternative. Striders offered its trainers the choice of working either full-time or part-time. Because the training was either early morning or late evening, many trainers opted for part-time employment, allowing them to pursue other interests during the day.

In June 2018, Striders had 34 full-time trainers and 25 trainers employed on a part-time basis. The trainers were college graduates, usually between 22–30 years of age, with good English-speaking skills. After recruitment, Uchil and Londhe worked with the trainers to bring them on board with the training routine as well as the Striders way of doing things. Trainers worked in teams of two per centre, with one lead trainer and an assistant trainer. Remuneration to the trainers was based on experience, number of centres, and number of batches (morning/evening) handled.

Strider trainers were also expected to run at least one full marathon every year. Striders encouraged its trainers to acquire national and international certification related to sports and fitness, and it subsidized the fees in certain cases. Striders faced attrition rates of about 10–15 per cent with respect to its trainers. The trainers who quit usually left for alternative employment or higher education.

The trainers used email and social media groups to stay connected with members. Members also received regular updates on upcoming races as well as notification of Striders-organized group fitness events over WhatsApp. Eby Reynold, one of the trainers, said,

I always try and greet my members by name at the beginning of each session. It helps me track individual progress during the sessions and give them constructive feedback. We take photographs of our workouts at regular intervals and share it on the WhatsApp group; it helps to motivate the group. It’s all about feeling good when they come for the workout.

Trainers had to report on attendance and discuss members’ training progress on a weekly basis with Uchil, Londhe, and Singh. Sachin D.,[[20]](#endnote-20) a Striders member for the last six years, said, “The training routine pays close attention to running styles [and] right breathing techniques, and though it’s a group session, the solutions are for the individual. The centre where I train has seen trainers change at least three to four times in the last couple of years but the fundamental approach to training is the same.”

Events Team

Based on the growing number of enquiries for Striders’ involvement in running events, in 2016 an events team was set up to help Uchil. Parth Shah, an event manager, was brought in to head the cell, and a team of six people were deputed to work on the event business. In 2016, when Shah joined Striders, revenue from events was around ₹20 million. At the end of financial year 2017–2018, Striders had 10-year organizing rights to 11 events and had booked revenues of ₹64 million from these events, accounting for about 80 per cent of total revenues. All the events managed by Striders drew at least 5,000–7,000 participants, with some of the popular races drawing close to 15,000 participants.

striderS Members

Striders members were either retail or corporate members. Retail members (about 800) were self-funded and usually had been referred by other members. Mumbai was the largest centre for retail members with about 90 per cent of members registered across the various centres there. In the case of corporates, Striders was assured a specific number of members, and a rate per member was negotiated. These rates were around 20–25 per cent lower than retail membership rates and tended to vary based on the numbers assured by the corporate. The fees in this case were paid directly by the corporate to Striders. Depending on the nature of the agreement with the corporate, Striders offered training at dedicated centres (where only members of a specific corporate would train) or added the members to existing centres. Over 95 per cent of members in centres outside Mumbai were corporate members.

Striders centres were concentrated in large metros with at least 15 members per centre. Striders members were usually middle-aged professionals, aged between 30 and 50 years, and they paid approximately ₹2,000 per month toward training fees. Striders offered half-yearly and annual payment options. Most Striders members preferred to pay on a half-yearly basis. Striders data suggested that, typically, its members renewed memberships for three to four years. Uchil said, “Most amateur runners need regular training for at least six months to one year to be able to run a half-marathon. We have seen that after they have run one half-marathon, their confidence is boosted. After a couple of such races, some of them prefer to follow their own training regimen but many stay on as members simply because they like the group they train with.”

At least 10 per cent (about 200) of Striders members ran full marathons every year, with 25 members in 2017 registering for ultra-marathons. More than 60 per cent of the members ran at least one half-marathon every year and about 80 per cent ran at least one competitive 5-km or 10-km race every year. Striders tagged runners as Elite, Green, Blue, or White depending on their running ability and fitness. From 2005, every Striders member was given a T-shirt with their name on it, and it was a common sight after competitive races to find Striders members in their distinctive T-shirts posing together for photographs. Many Striders members tended to wear this T-shirt, even when race organizers offered a specific T-shirt for the competition, as a way of keeping a unit.

In 2012, a trainer from one of Striders’ suburban centres in Mumbai started a rival fitness club in the same vicinity, and about 20 Striders members joined him at once. Striders, however, continued the centre with the reduced membership and a new trainer. Within six months, 18 of the members who had left came back to Striders. After that, there were at least two similar incidents where members left to join competing running or fitness clubs but came back to Striders. A husband and wife duo who quit and then re-joined Striders in 2013 said,

We were with Striders for about a year when our trainer decided to start his own outfit. We followed him as we had a good rapport with him and most of our group was going to join him. In the beginning, it was all the same—same trainer, same routine, same place, familiar faces—and the cost was 20 per cent lower than Striders. But after a couple of months, we realized that while the trainer was good, he lacked the process and structure which Striders training had. After about six months, we went back to Striders where there was a new trainer and a new group! But somehow it felt just right and now after over five years as Striders’ members, we only plan to continue further as there are more milestones to cross.

competition

Running Event Organizers

Procam International Pvt. Ltd. (Procam), founded in 1988, was a reputed sporting-event organizer in India.[[21]](#endnote-21) It was associated with close to 50 events, including marathons and rugby and tennis tournaments. Procam was associated with the Mumbai, Delhi, Bangalore, and Calcutta marathons as organizer. NEB Sports Entertainment Pvt. Ltd. (NEB), based out of Bangalore, was known for organizing track and field events and badminton tournaments.[[22]](#endnote-22) In association with the Athletics Association of India, NEB organized athletic meets in small towns and rural areas across India to find budding athletes and offer them professional coaching. In addition, there were many small event organizers, including sporting clubs, fitness centres, and citizens’ groups who organized running events independently with the help of professional event-organizing support.[[23]](#endnote-23)

Running Clubs

The growing popularity of road running had spawned many running clubs across the country, with large cities often having multiple running groups.[[24]](#endnote-24) There were two broad categories of running clubs:

* *Sporting goods manufacturers-led* (Nike+ Run Club,[[25]](#endnote-25) Reebok Running Squad,[[26]](#endnote-26) ASICS Running Club[[27]](#endnote-27))—These clubs offered free membership to running enthusiasts. The association of award-winning and famous athletes with these clubs acted as an incentive for members to sign up. While members were not obliged to buy the products of the manufacturer, they were encouraged to sample products at the store and pop-up venues. Training sessions were usually held in easily accessible public spaces.
* *Paid running groups* (Striders, Runners for Life[[28]](#endnote-28))—These were paid groups, and most Indian cities had many such running groups. Membership fees were usually around ₹1,000–2,000 per month with flexible membership schemes. Many of the running groups were formed by former athletes, and group sizes could vary from 20–40 people.

Gyms and Other Fitness Options

A Deloitte Touche Tohmatsu Ltd. report on the services sector in India for 2017[[29]](#endnote-29) estimated the fitness industry in India (including regimes such as aerobics, Zumba, cross-functional and bodyweight training, Pilates, and aqua fitness) to be around ₹7 billion by 2017 and projected a growth rate of 22–27 per cent over the next five years. Growing incidences of obesity and diabetes, increases in disposable per capita income, and sedentary lifestyles were the primary drivers of the fitness industry.[[30]](#endnote-30) However, the market was fragmented, with unorganized and independent gyms accounting for 70 per cent of the market.[[31]](#endnote-31) Eight major cities in India accounted for more than 60 per cent of the organized fitness market.[[32]](#endnote-32)

Fitness Apps

Fitness apps measured users’ heart rates during exercise and daily activities, as well as their calorie levels and sleeping patterns, and offered a cost-effective choice for individuals seeking health.[[33]](#endnote-33) Technavio’s report *Global Fitness App Market 2017-2021* forecasted the global fitness app market to grow at a compound annual growth rate of about 30 per cent during 2016–2020.[[34]](#endnote-34) The prominent players in the global fitness app market included Nike Inc., Fitbit Inc., Jawbone, Under Armour Inc., Adidas AG, and Samsung Electronics Co. Ltd. (see Exhibit 6). These players not only manufactured athletic apparel, footwear, and fitness wearables but also had their own apps in all popular mobile app stores. These apps were popular with users because the apps combined running goals by using the built-in GPS and other sensors with diet and nutrition information to provide users with a holistic fitness experience (see Exhibit 7).

The future

Uchil and Londhe knew a significant opportunity existed in the Indian market for running clubs, and with the backing of their well-wishers, they could achieve higher membership goals. Bhatt’s proposal had raised several questions for them, the foremost being whether they should take the money, and if so, how should they use it? Would their well-meaning investors, in their quest to push Striders, end up destroying the spirit of the club? Striders members appreciated the personal touch shown to them by everyone in the company; would this still be possible in the case of ambitious expansion? What should Striders focus on for growth? Uchil and Londhe realized they had a lot of work to do once they reached their office.

Exhibit 1: Growth in recorded races in India

|  |  |
| --- | --- |
| **Year** | **Number of Races** |
| 2013 | 176 |
| 2014 | 270 |
| 2015 | 385 |
| 2016 | 700 |
| 2017 | 1,074 |

Source: India Running, *Annual Running Races Report,* accessed April 19, 2018, http://indiarunning.com/race-statistics.html.

Exhibit 2: City-wise organized races in 2017 (Major cities)

|  |  |
| --- | --- |
| **Major Cities** | **Number of Races** |
| Bengaluru | 168 |
| Delhi-NCR | 161 |
| Mumbai | 109 |
| Chennai | 109 |
| Pune | 76 |
| Hyderabad | 59 |
| Kolkatta | 16 |

Note: NCR = National Capital Region

Source: India Running, *Annual Running Races Report,* accessed April 19, 2018, http://indiarunning.com/race-statistics.html.

Exhibit 3: Running events segmented based on distance (2017)

|  |  |
| --- | --- |
| **Distances** | **Percentage of Running Events** |
| 2 kilometres | 16% |
| 5 kilometres | 34% |
| 10 kilometres | 32% |
| Half-marathon | 16% |
| Full marathon and ultra-marathon | 2% |
| Total | 100% |

Source: *India Running Events Industry Report 2017–18*, Townscript, accessed April 20, 2018, http://blog.townscript.com/india-running-events-industry-report.

Exhibit 4: Striders training schedule

|  |  |
| --- | --- |
| **Training Days** | **Schedule** |
| Weekday training | *3 days a week*   * 1 day of strength training using light weights * 1 day of agility and coordination training * 1 day of endurance training to build stamina—running with focus on uphill runs, interval training, sprinting, etc.   Equipment used: yoga mats, medicine balls, light ankle weights, TheraBands |
| Weekend training | *Usually Sundays*   * Long run with pacers and adequate hydration support—running goals based on Striders classifications (Elite, Green, Blue, White) * Commando training for endurance |

Source: Company documents.

Exhibit 5: key financial data

Summary Profit & Loss Account for the Financial Year April–March (US$)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Expenses** | **2016–2017** | **2017–2018** | **Income** | **2016–2017** | **2017–2018** |
| Professional Expenses | 32,176 | 25,081 | Professional Income | 741,772 | 1,234,908 |
| Event Expenses | 286,507 | 632,323 | Other Income | 4,890 | 19,068 |
| Office & Admin. Expenses | 321,401 | 419,208 |  |  |  |
| Net Profit | **106,578** | **177,363** |  |  |  |
| TOTAL | **746,662** | **1,253,976** | **TOTAL** | **746,662** | **1,253,976** |

Summary Balance Sheet as on March 31 (US$)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **LIABILITIES** | **2017** | **2018** | **ASSETS** | **2017** | **2018** |
| **SHARE CAPITAL** | **435,567** | **612,374** | **FIXED ASSETS** | **330,532** | **362,556** |
| Reserves & Surplus | 432,490 | 609,297 | Computers | 1,362 | 2,909 |
| Equity Share Capital | 3,077 | 3,077 | Fitness Equipment | 677 | 678 |
|  |  |  | Furniture & Fixtures | 313 | 314 |
| **LOAN FUNDS** | **188,187** | **194,381** | Office Equipment | 434 | 1,274 |
| Secured Loans | 188,187 | 194,381 | Real Estate Holdings | 310,166 | 312,919 |
|  |  |  | Motor Vehicles | 17,582 | 44,462 |
| **CURRENT LIABILITIES & PROVISIONS** | **30,530** | **88,048** |  |  |  |
| Duties & Taxes | 1,740 | 25,983 | **INVESTMENTS** |  | **127,692** |
| Sundry Creditors | 21,935 | 42,485 | **CURRENT ASSETS, LOANS, & ADVANCES** | **323,466** | **404,340** |
| Amsterdam Security Deposit | 5,907 | 14,831 | Deposits | 10,531 | 9,101 |
| New York Security Deposit | 946 | 4,638 | Loans & Advances | 67,593 | 67,082 |
| Provision for Expenses |  | 111 | Sundry Debtors | 101,820 | 100,478 |
|  |  |  | Cash Balances | 2,136 | 1,233 |
|  |  |  | Bank Balances | 27,814 | 39,152 |
|  |  |  | Others | 113,572 | 187,294 |
|  |  |  | **MISCELLAENOUS EXPENSES** | **213** | **213** |
| **TOTAL** | **654,284** | **894,803** | **TOTAL** | **654,284** | **894,803** |

Note: US$1 = ₹65.1497 on April 1, 2018; ₹ = INR = Indian rupee

Source: Company documents.

Exhibit 6: Leading fitness companies (2017)

|  |  |
| --- | --- |
| **Company** | **Products** |
| Adidas AG | miCoach FIT SMART, Heart Rate Monitor, Runtastic |
| Fitbit Inc. | Fitbit Zip, Fitbit One, Fitbit Flex, Fitbit Charge, Fitbit Alta, Fitbit Charge HR |
| Garmin Ltd. | Garmin Vivofit 3, Garmin Vivoactive, Garmin Vivosmart, Garmin Forerunner |
| iHealth Labs Inc. | iHealth Edge |
| Jawbone | Jawbone UP2, Jawbone UP3, Jawbone UP4, Jawbone UP Move |
| Misfit | Misfit Ray, Misfit Shine 2, Misfit Flash, Misfit Speedo Shine |
| Moov Inc. | Moov, Moov Now |
| Nike Inc. | Nike+ FuelBand, Nike+ FuelBand SE, Nike+ Running App |
| Under Armour Inc. | UA Band, MapMyFitness, MyFitnessPal, Endomondo |
| Xiaomi Corporation | Mi Band, Mi Band Pulse, Mi Fit |

Source: Allcorrect Blog, “The Top Ten Most Profitable Fitness Apps Markets,” Traffic Habits, July 11, 2017, accessed August 2, 2018, https://traffichabits.com/the-top-ten-most-profitable-fitness-apps-markets-448dbbdded6c.

Exhibit 7: Leading fitness apps in the Google Play Store worldwide, by revenue (july 2018)

|  |  |
| --- | --- |
| **App Name** | **Revenue (US$)** |
| Calorie Counter—MyFitnessPal | 1,053,217 |
| Headspace—Meditation & Mindfulness | 752,442 |
| Calm—Meditate, Sleep, Relax | 525,813 |
| Strava Training—Track Running, Cycling, and Swimming | 392,676 |
| Freeletics—Bodyweight | 337,535 |
| Lifesum—Diet Plan, Calorie Counter, and Food Diary | 266,215 |
| Sweat—Kayla Itsines Fitness | 206,646 |

Source: Priori Data, “Leading Android Health Apps Worldwide 2018, by Revenue,” Statista, August 2018, accessed August 19, 2018, www.statista.com/statistics/695697/top-android-health-apps-in-google-play-by-revenue.

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