

# Locker Talk

Don Lucas' chain of Luke's Locker stores is running ahead of the competition. *By Marianne Bhonslay*

**D**on Lucas, as he is apt to reminisce, was part of the first running boom. Yet Lucas' running recollections predate the 1970s when runners started appearing en masse in New York's Central Park, and Bill Rodgers was breaking American marathon records and burning up the course in Boston. That tenure might be dubbed the golden age of the first running boom. Lucas was part of the decidedly unheralded era of the 1960s, when "going for a run" and doing so in tights, no less, was hardly socially acceptable.

"I started running for fitness when I was in law school in the 1960s," says Lucas, founder and owner of Luke's Locker, the three-store running specialty business that is now a hallmark for competitive and fitness runners in Dallas, Fort Worth and Houston, TX. "I can assure you, it wasn't fashionable. You were looked upon as a bit of an oddball if you ran. Guys would not be caught dead on the streets in tights. We've evolved a lot."

Luke's Locker has been a mainstay of that evolution. Lucas, now 66, began selling Asics running shoes—then known as Tiger—out of the trunk of his car and his garage in 1969 when he could not locate retailers selling proper running shoes. After graduating from Southern Methodist University's law school in Dallas in 1964, Lucas depended on his daily 30- to 40-minute runs to keep his mind relaxed and focused during his long days as a young attorney.



Don Lucas (front and center, in red jacket) poses with family and staff at the 2003 Dallas Turkey Trot.

By 1980, Lucas recalls, the sport had gained notoriety, notably from the previous decade in which American Frank Shorter won a 1972 Olympic Gold Medal and Rogers, now known as "Boston Bill," had twice broken the American marathon record. Runners in the U.S., Lucas deemed, were hooked and he opened the first Luke's Locker, a 3,300-square-foot store in Dallas, even as he continued his practice as a commercial real estate lawyer.

As the '80s progressed, Lucas witnessed more runners hitting the pavement—not in quest of running a sub-three-hour marathon, but merely as a form of fitness. "It caused us to say, 'Is there an opportunity here?'" recalls Lucas, referring to his conversations with his wife, Sharon Lucas, now 63, who literally minded the store while her husband continued his law practice. "No one was responding to that opportunity in the retail world—none of the chains, such as Athlete's Foot [for example]. And Just For Feet [and others] were late developments. We had no idea at that time that the business would evolve and grow into what it is today."

Today Luke's Locker is a \$10 million retailer, with a fourth store set to open in April and

projected revenues of \$11 million in 2004, according to Matt Lucas, president and one of three sons working in the business, all of whom grew up running with their father. "There are so many more [retail] competitors now, even in the specialty running and fitness business," says Matt, 38, who also earned a law degree from SMU, and practiced in Austin before joining the family business full time. "There are brick and mortar [stores], catalogs, on-line [sales] and television. So it is a different competitive landscape, and with it a more informed consumer."

To capture that consumer, Luke's Locker offers runners an abundant selection of technical merchandise, employees renowned for their product knowledge, and training programs designed for everyone from the first-time fitness walker to the marathon veteran. For example, each Luke's Locker store typically stocks about 7,500 units of shoes, Matt Lucas explains, and carries an average of \$500,000 in wholesale value of apparel and footwear. Some stores, such as Dallas—which now boasts 15,000 square feet of retail space—has merchandise valued at about \$750,000 on display.

The company is also willing to invest in its employees, Matt Lucas suggests, noting that people are paid "an hourly rate significantly above minimum wage" and given the opportunity to become equity holders. Consequently, Luke's Locker minimizes employee turnover (the company has about 75 employees) and retains its personnel, such as employees like Jan Wilson who has worked in the Dallas store for nearly a quarter of a century, ever since it opened in 1980.

"Customers want service but they don't want to spill their guts to a complete stranger," says Matt Lucas. "We go after educated employees and we have a low turnover so personal relationships [develop] between our staff and customers."

Those relationships are fortuitous, since many customers count on Luke's Locker to not only fit them with the right footwear, but to help them start—and stay with—a training regimen. According to Don Lucas, the company is involved with as many as 150 to 200 events each year, and as many as 10,000 people take part in at least one

of the retailer's training programs. The prototypical customer has an abiding interest in running and fitness, says Lucas, and although demographics vary, the majority of customers range in age from about 25 to 40 and have an annual household income above \$75,000. The average customer purchase is an estimated \$80.

"We try to ingrain ourselves into the community with support and involvement," adds Matt Lucas, whose brothers Mike, 38, and Andy, 35, are also immersed in the business as EVPs. "We support local runs and create awareness for running and fitness. We don't make money off of any of those things. We don't necessarily see a 'return.' Those are marketing dollars." Indeed, Matt Lucas estimates the company has an annual marketing budget of about \$300,000, of which approximately 10 percent is directed toward media dollars such as direct-mail pieces or advertisements.

"What they do best is represent the lifestyle of an athlete," says Jim Hoff, VP of sales for Asics America, a supplier of Luke's Locker. "Many people now are not focused on running for speed. They are running for fitness. [Luke's Locker] is market-focused and very high-profile at various events. They have been around for so long and [have] focused on running as a specialty [sport]. They have cornered a very [significant] part of the market."

Coaching seems to be as integral a part of the business as selling. Luke's Locker not only devotes an average of 30 minutes to each customer when fitting shoes, but also takes that customer out on weekly training runs and provides customized daily training schedules. "This is hands on," says Don Lucas. "It is grass roots [work]. You have to carve your niche. We're competing with [dealers] who don't bring a service component into the mix." When asked if Luke's Locker is profitable, Don Lucas replies, "Yes, we're grossing [a profit]. But it is not by accident. Retailing is labor-intensive and time-consuming."

Part of the Lucas' time these days is preparing to open a 4,500-square-foot store in Colleyville/Southlake, a suburb of Dallas, this spring. The company has also fielded calls to franchise its specialty blend of product and service, although Don Lucas says granting a franchise is unlikely for this family-owned and run business.

"We have no venture capital funding—everything we make we put back into the business," explains Don Lucas, who stared Luke's Locker with

an investment of about \$20,000. "I am not a believer in franchising, [and] venture capitalists are always looking for [an answer] to how many stores are you going to open across the country. That's not the way we do business. We can't replicate what we do easily, so when we open a new location we're usually talking about opening one." There will likely be a fifth location, and Lucas says in spite of interest from markets as far away as Atlanta, that store will likely be in Texas. Eventually, the company may elect to open an out-of-state store.



Don Lucas, founder and owner of Luke's Locker.

In an effort to be a complete running resource from day one, Luke's Locker was as committed to stocking running apparel as footwear. Even in the early 1980s, the Dallas store's inventory was about 40 percent apparel. Today, footwear and apparel each comprise 50 percent of the merchandise mix.

"Let's face it: vendors have woken up to the fact that fashion and performance are not exclusive," says Don Lucas, noting that Pearl Izumi is one brand that has successfully melded the two. "You have to wear something when you run that is lightweight and comfortable. For any athlete, the uniform is vital and [part of] the equipment. Nobody wants to wear a garment that doesn't fit properly, whether you are a world class runner who has no hips or [someone who] just runs to stay fit and doesn't have an ideal figure."

Customers these days are more likely to be the latter rather than the former, adds Don Lucas, and they constitute "the second running boom." The distinction, he says, is the number of people running for fitness. While the early days with landmark American runners such as Shorter and Rogers were memorable and exciting, Don Lucas says it is imperative that Luke's Locker remains focused on today's customer.

"The masses look upon running as a means of fitness," says Don Lucas. "Today, 80 percent of people running a marathon are running to finish and time is not relevant. Less than 10 percent of finishers run faster than 3 hours and 30 minutes. In the 1970s, that was the tail end of the spectrum. So I characterize this as the second running boom. That's our customer and we need to understand it and we need to be a part of it and not just superficially. We need to be involved in the market and not just to sell products. It's a different customer than it was 20 years ago."

Yet old-timers still abound, recounts Don Lucas. "People still come into the stores today and say, 'I used to buy shoes from Don Lucas out of his car's trunk.'" ■

## PLAYING HARBALL IN THE RUNNING WORLD

Not many retailers can recount a pitcher-batter dual with St. Louis Cardinals Hall of Famer Bob Gibson as part of their youthful athletic lore. For Don Lucas, founder and owner of Dallas, TX-based Luke's Locker, the recollection is a revered and inspiring memory. Having faced Gibson during their respective high school baseball careers, Lucas was at the plate when Gibson was throwing his hardest and wildest.

"At 16 and 17, he was 6' 5" and throwing 100 miles per hour," recalls Lucas, who grew up playing baseball in Harlan, IA. "He was wilder then. I was happy if I got a foul ball. He was a wonderful athlete and made an indelible impression upon me."

So did baseball, a sport for which Lucas, who also played high school basketball and football, devotedly trained by running. As a teenager, Lucas ran during the summer to prepare for his varsity seasons. And for baseball, he invariably ran in the outfield before practice commenced.

"I would not have thought about going to practice [without running] to warm up," recalls Lucas, who played shortstop and second base and attended Southern Methodist University (SMU) in Dallas on a baseball scholarship, graduating in 1959 with a political science degree. "You had to run to get the circulation going in your body. Injuries in baseball are due to not being fit. Speed, agility and quickness are the keys to all athletic ability."

Lucas' ability clearly resided as well in running, which became his sport of choice and necessity while attending SMU's law school, from which he graduated in 1964, and in his early years as an attorney.

"In law school, I would sit and study and worry and fret," says Lucas, who also spent a few years running as part of his Army training in the early 1960s. "You have to get rid of [the tension] somehow. And [the running] continued in the early stages of law practice. The hours are long and demanding, and you might only have 30 or 40 minutes [for a break]. The most economical and accessible and effective way to blow off steam was to go for a run. I looked at running as a way of letting off excess steam and making my ability to concentrate better. It was a catharsis."

Lucas experienced enough of a runner's high that he began training with a local club and participating in races. By 1975, at the age of 38, he was running a 2:46 Boston Marathon and, he proudly notes, eight of his 10 total marathons have been "sub-three hours." By 1980, he had opened the first Luke's Locker store in Dallas, and was on his way to eventually becoming a full-time retailer with three stores, a fourth set to open, and an \$11 million business.

Although the marathon days are over for Lucas—at least as far as road racing is concerned—but he still walks and runs between 30 and 40 miles a week, pressing for time to remain in the store rather than on the road. "I remain active," says Lucas. "You have to be connected with what you're doing to attain credibility in this marketplace."