

'Yurbuds' offer pain-free listening

By Kavita Kumar

ST. LOUIS POST-DISPATCH

02/19/2010

Seth Burgett tried out three different kinds of earbuds when he was training for a half Iron Man triathlon, but found all of them — even the custom-fitted ones — to be so painful that he developed headaches.

He knew that he couldn't be alone and that many others probably shared his pain from portable music players and cellular headsets.

So Burgett quit his job as a research and development manager at Bausch & Lomb to develop a product that was easier on the ear.

Two years later, his gamble appears to be paying off. It turns out his ears are not unique.

"People have consistently said, 'I just thought I had weird ears,'" Burgett said, adding that many of his customers have become fanatics after dealing for years with earbuds falling out or hurting.

Since September, his young business, Yurtopia, has sold tens of thousands of "Yurbuds" — custom-fitted, rubber-tipped caps that go over earbuds and sell for \$20 a pair. They have been designed so they avoid the pain points in your ear, do not fall out when you run or move, and improve sound quality.

The success hasn't just been in sales. Despite the recession, the company has managed to attract more than \$2 million from St. Louis investors. About \$750,000 of that came from professors and classmates at Washington University's Olin School of Business, where Burgett recently received a master of business administration.

Forbes also named Yurtopia the 9th most-promising U.S. company last year.

And Burgett and his partner, Rich Daniels, are still riding high from the buzz they created at the Consumer Electronics Show in Las Vegas last month where their booth drew long lines and the attention of major media outlets.

Best Buy is now testing Yurbuds in 65 of its cell phone stores around the country and offering the product at www.bestbuy.com. They're also available at dozens of specialty retailers around the country including local stores such as Big River Running, The Sound Room and Ghisallo Running.

Earlier this week, Yurtopia launched its iPhone application. Through the application or by going to www.yurbuds.com, a customer can send in a picture of his or her ear with a quarter next to it to provide scale. The company will then mail a pair of earbud tips out of one of six sizes that best fit that customer.

Yurtopia also hopes that Best Buy — or another big retailer, such as Wal-Mart Stores Inc. or Apple Inc. — will pick up the product for their stores.

Housed with other start-up companies at the Center for Emerging Technologies in midtown St. Louis, Yurtopia now employs 6 people, 5 interns and several part-time workers. It plans to hire 5 to 10 more people this year.

Yurtopia declined to reveal current sales figures or volumes, but it has set a target of \$5 million in sales for this year.

HIGH TECH GROWTH

The company hopes to piggy-back on the ubiquity of iPods, smartphones and Bluetooth headsets over the last several years.

About 51 percent of U.S. households now have at least one portable music device, according to the Consumer Electronics Association.

The \$5 billion portable media industry is projected to decline a bit in the next couple of years now that many people already own such devices. But the earbud industry, which did about \$285 million in sales last year, is expect to grow to about \$337 million by 2013, according to the association.

Yurbuds is entering a market that has been flooded in the last couple of years with a host of earbuds and sleeves and tips that claim to improve sound quality and comfort, said Jasmine France, a senior associate editor of CNet.

"The market is completely saturated with all sorts of styles of headphones and different funky features you can get — headphones that work under water, fashion earbuds, ones with noise cancellation," she said.

Still, many people just stick with the basic earbuds that come with their players, France added.

Although there are many competing products, Burgett and Daniels believe they have found a unique niche — for one, their low price point for custom fits that is hundreds of dollars cheaper than ones you can get from an audiologist.

Erwin "Pete" Peters, director of Innovate Venture Mentoring Service, acknowledges he was a bit skeptical about the idea at first, but says he has been convinced there is a market for earbud attachments.

"I think their biggest challenge is still marketing — a way to do mass marketing without having everybody have to try them on," said Peters, who has helped Yurtopia and other local start-ups develop their business models.

Burgett used about \$150,000 of his own money to launch Yurtopia in January 2008.

In December 2008, he was joined by Daniels, who had been vice president of innovation and growth at Solutia. A couple of months later, they received \$5,000 as a winner of the Olin Cup at Washington U. given to promising new business ideas.

Burgett designed the first prototype out of clay at his kitchen table. Then he baked it in his oven. Metaphase Design Group in Clayton designed the final, silicon-based product.

A factory near Buffalo, N.Y., makes the six different-sized earbud attachments that Yurtopia says will fit more than 95 percent of the population.

Since May, they've been taking Yurbuds on the road to exhibitor fairs at marathons around the country. The response has been overwhelming.

At one event in Cincinnati, they sold out of their stock on the first day and had to get more shipped overnight for the next day.

Burgett has used his iPhone to record short clips of runners' reviews of the Yurbuds at these events. Many of them are posted to a YouTube channel.

In the videos, people run up and down the aisles, head bang, do jumping jacks, and even Irish dancing to see if they will fall out.

Those reviewers, at least, were pleased by the results.