

Editorial

Weather May Play Bigger Factor Than Economy in Bike Sales

Economic news these days is bleak. Consumer spending stagnated over the first three months of the year as costs of food and energy skyrocketed.

Yet even as the U.S. economy continues to sputter, many in the industry are bullish on sales. Indeed, bike companies have historically posted steady sales during past economic slowdowns, fostering a common belief that the business is recession-proof.

Still, uncertainty lingers—and with reason. While it remains to be seen how economic pressures will impact bike sales this season, weather patterns could have a more profound effect. The Bicycle Product Suppliers Association reported that through February unit sales were down 15 percent while sales dollars declined 10 percent. Some of that decline may be less a factor of the economy as of a tough winter that delivered record

snowfalls across the country.

Anecdotal evidence indicates that sales have since picked up as the late snow melts and flowers bloom. Public companies such as Dorel reported stellar first-quarter sales in its bike division, boosted in part by sales through the specialty channel. Perhaps consumers, eager to put the long winter behind them, are purchasing new equipment.

But in some regions snow still lingers

and mountain trails are too muddy to ride. Faced with a short riding season coupled with a tighter budget, consumers may defer new bike purchases until next year.

The weakened U.S. economy dictates that retailers and suppliers keep a close eye on economic indicators to manage their businesses. But they would do well to pay as much attention to The Weather Channel as to CNN.