E-Bikes Poised for Takeoff in German Market

FRIEDRICHSHAFEN, Germany—SRAM president Stan Day announced yesterday that SRAM is currently working on “breakthrough” e-bike technology, targeting its launch for Q1 of model year 2012.

“We believe we’re one of the few that has the reach to effectively educate European and U.S. dealers,” said Day, speaking as part of a panel of industry executives at a press conference to kick off Eurobike yesterday.

That was music to the ears of his fellow panelists representing the German bike industry, who are pinning hopes on e-bikes to grow bike sales in Europe’s largest bike market.

Siegfried Neuberger, chief executive officer of German bike industry association Zweirad-Industrie-Verband (ZIV), said the organization had forecast e-bike sales of 180,000 units in 2010. “Now we have to correct that because it is going to be even better,” Neuberger said, adding that...
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the projection for e-bikes sold in Germany has been revised to 200,000 for this year compared to 150,000 in 2009. As a share of bikes sold in the German market, e-bikes will likely rise from 4 percent to 5 percent this year, he said.

Neuberger said the forecast for e-bike sales in all of Europe for this year is 600,000 units, up from 500,000 units last year. “The trend is very positive,” he said.

According to Neuberger, e-bikes are one of the bright spots in the German market. Through the first half of this year, total bike deliveries in Germany were flat at 2.66 million units compared to 2.67 million units for the same period last year.

Neuberger said deliveries have been stable despite general conditions, such as low consumer confidence and poor spring weather, that were not optimal in the first six months of the year. But, he said, the market is now improving.

Thomas Kunz, chief executive officer for the Association for German Two-Wheeler Business (ZDV), said specialty bicycle dealers altogether survived the economic crisis quite well. “Specialty dealers distanced themselves from the sluggish retail trend,” said Kunz.

He noted that among the 3,870 retailers represented by the association there was a broad spread in assessing the business situation, with some experiencing growth and some experiencing slight declines this year. Altogether, he said, German retailers expect sales at the level of the previous year—an estimated annual market total of 4.1 million bikes and 3.3 billion euros.

Kunz noted that specialty retailers, who account for 68 percent of German bike sales through all retail channels, are benefiting from e-bikes and a general trend toward high-quality equipment sales.

Werner Foster, chief executive officer of Germany bike manufacturer Cycle Union, agreed that the trend is toward high-quality bikes and, as a result, the share for specialty trade is increasing in Germany. “A bike of 1,000 euros is quite normal, so high price segments are gaining ground,” Foster said, citing technology and improvements.

SRAM’s Day said sales for the year are up for good dealers across Europe and in the U.S., adding that inventories appear to have filled in but are not excessive.

According to Day, sales for SRAM’s five brands—SRAM, Zipp, RockShox, Avid and Truvativ—were up 40 percent over the prior year for the six months ending in June. Total sales for SRAM for the past 12 months surpassed $500 million, he said.

And while the company is focusing on e-bike development, it has also committed to the racing scene, with seven pro teams racing on SRAM in 2010. That investment paid off for the company this year with a one-two finish with Alberto Contador and Andy Schleck.

“For most of us racing will not put food on the table, but it is an important training ground,” said Day.

—Megan Tompkins

Master Distributor Sparks Sales For Gore Cables In Europe

Gore Ride On Cables returns to Eurobike this week for the third year since the cable system came back on the market, but this time with its own booth and a new master distribution plan in place for Europe and Asia.

Lois Mabon, product manager for the Ride On system, signed on with German-based master distributor Bernd Plüger earlier this year after meeting him at Ride On Taiwan last December.

This move was a departure from direct sales, Gore’s traditional way of doing business. Initially Mabon set up distribution of the cables through Gore Bike Wear’s well-established channel, but quickly realized she wasn’t getting the broad reach she wanted, and dealers were asking to get the cables through distributors.

“Ride On is more of a component, an accessory. It needs to be in every shop. Every shop needs to carry and sell Gore Ride On, but I don’t think every shop could sell Gore Bike Wear,” Mabon said.

In the six months since she signed one with Plüger, Gore’s presence in European shops has grown from 500 to 600 to nearly three to four times that size, Mabon said, with representation in the UK, Germany, Italy, France, Spain, Poland, the Czech Republic and the Benelux region. Aftermarket business has grown by 50 percent in the past year and OEM sales have increased by 25 to 30 percent with brands like Wilier, Orbea and Blue spec’ing the system.

Most of Gore’s OEM business is done through its partnership with SRAM for its Red cables.

As of June 1, Gore stopped selling cables through Gore Bike Wear in Europe.

Plüger, who also serves as master distributor for Hayes in Europe, takes delivery of Gore cables directly from Taiwan and stores the product in his warehouse south of Frankfurt, then sells to more than two-dozen distributors all over Europe. He and his staff handle orders, logistics and customer service issues.

Plüger is also Ride On’s master distributor for Asia and has worked with Mabon to secure distribution in Taiwan, Indonesia, China, Malaysia, Thailand, Korea, the Philippines, Japan and Singapore. Gore is also distributed in Australia, South Africa and New Zealand. Mabon’s next target area for growth is South America.

Gore first launched a mountain bike cable system in the U.S. in 2001 and in Europe the following year, but the cables were pulled because the system was difficult to install. Gore returned to Eurobike in 2007 with its redesigned system using an improved coating technology and offered a road option. It has since added a professional system for high performance road and racing, cyclocross, commuting and triathlon.

Gore has its own booth in Friedrichshafen this year, breaking away from the Gore Bike Wear booth for the first time, and has launched a new German language Web site, www.rideoncables.de, to support sales here.

—Nicole Formosa
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on Tuesday as dealers from the e-bike friendly region waited for a chance to spin the new electric-assist bike. The bike comes in regular or step-through models for men and women and will be sold next year in the Benelux and Germany markets.

The E-series includes a drive unit with sensors, a battery built into the rear rack and control computer on the handlebars. Engineers worked to make the bike aesthetically pleasing with integrated cable routing and the SmartFormed frame with ergonomic geometry.

The Cannondale Headshok Fatty fork comes standard on the e-bikes, which weigh 22.5 kilograms and retail for 2,800 euros. The Bosch drivetrain, which also makes its debut this week at Eurobike, uses three sensors to measure pedaling force, pedaling frequency and speed of travel, then uses the data to calculate the motor assist. Riders can customize the assist by selecting one of four riding programs.

Although Bosch engineers worked with the Cannondale team to develop its e-bike drivetrain, the technology is not exclusive to Cannondale. Several other brands are showcasing bikes using the Bosch system at Eurobike including Scott, which also marks its entry into the e-bike market this week.

The Scott E-Sub 20 and E-Sportster start around 2,000 euros and will be sold in Germany, Switzerland, Austria, France and Italy next year.

E-bikes will be a strong focus at Eurobike this week with more exhibition space devoted to the category and a larger test track with a 12 percent grade hill climb. E-bikes made up about 4 percent of all bike sales in Europe in 2009 and industry experts expect that percentage to rise 1 to 2 percent this year.

—Nicole Formosa

Curt Davis, Cannondale's product manager for urban bikes, with the new E-Series electric bike at Demo Day on Tuesday.
1. Jody Bennett and Scott McAhren from Freshbikes in Arlington, Virginia, canvas the demo area looking for unique European brands to bring back to the States. The co-owners of the franchise are attending Eurobike for the first time this year.

2. A video crew from ARD TV in Germany films Cannondale’s e-series concept bike using its Onbike design, which has a lefty fork and single right-side chainstay. The e-bike integrates a Bosch battery in the seat tube.

3. Chris Zigmont offers his consulting services to the “cheese queen” of Argenbühl, there to promote the Demo Day’s host town to visitors.

4. With the Tour de France behind him, the devilish fan cheers on a contestant in a sprint challenge at Felt’s booth.

5. A DJ sets the mood by mixing euro club tunes at the entrance to the demo area.

6. Pouring rain Monday left behind muddy trails for test riders, such as these riders at the Ghost booth who were covered in mud from head to toes.

7. Test riders returning bikes at the Specialized booth caked in mud.

8. VeloBiz editor Markus Fritsch hoses down a muddy test bike at the bike wash after a spin on the nearby test loops.

9. Despite ominous thunderclouds and the occasional spattering of raindrops, the weather was mostly clear for the Demo Day.