



Channel Mastery Podcast, Episode #85: Kristin Carpenter-Ogden Interviews
Pete Buhl, President and Co-Founder of Beeline Bikes

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- Kristin: [00:08](#) Welcome, everybody, to another episode of the Channel Mastery Podcast, our special series talking about the evolution of channels in the bike community and the bike market. And I am so delighted to welcome back Pete Buhl, who is the co-founder and president of Beeline Bikes, now part of Accell North America, to the show today. Welcome, Pete.
- Pete Buhl: [00:30](#) Thanks for having me.
- Kristin: [00:31](#) It's been so great to watch the trajectory. I know you guys literally embody the word hustle to me, okay? And I feel like that's a perfect way to kind of start our conversation together, because you might have been a little fast-forward, off on the sharp end of leadership, obviously, with Beeline, and you're going to talk about that founding of the company here in a few seconds. But it really seems to me like you're hitting a sweet spot in terms of adoption and the ability to scale and serve and evolve the specialty brands and retailers that you serve. So, before we get into that, and there's so much for us to get into there, give us a little bit of history on who you are and why you founded Beeline and then where we are today with Accell North America.
- Pete Buhl: [01:14](#) Yep, sure. Great. So, we started Beeline six years ago now. It's hard to believe. Time flies when you're having fun, I guess. But we started in 2013 as a tech startup in Silicon Valley with a

mobile-only business. We would take our bike shop on wheels to a customer at their home or office and do service. And that evolved over a period of years. In 2015, we began franchising the business, and we sold 80 franchise units across the country to do, again, mobile service. And we began to do mobile fulfillment of bikes sold online to customers. So delivery of a new bike purchased online to a customer at their home or office. And that all was great. We were bought by Accell North America in March of 2018, so about a year ago. And we began thinking about how do we further evolve what we're doing in the context of Accell and in the context of the greater market opportunity that we had in front of us with being part of Accell.

Kristin: [02:16](#) And how has the last year been? Because, I mean, as I said, you guys have always embodied hustle, but I imagine it's been ratcheted up to a whole new level.

Pete Buhl: [02:25](#) Well, it's been great. When we're presented with a new opportunity as part of Accell to think about how do we really engage with the industry and add value to the dealers that Accell has had historically and really grow that dealer base and take what we have, which is pretty unique to the industry, and add it to the overall equation? It was an interesting challenge. We spent the first six months, I think, post joining Accell, just really getting integrated and understanding how the organization worked, and then last summer, in the August timeframe, we had developed a plan to evolve the system that we would build into what we're now calling Powered by Beeline, which is, essentially, a software as a service version of our system that is open for all dealers to use and enhance their business and their business operations.

Kristin: [03:24](#) And so I think that's a perfect jumping off point, but just bear in mind, audience, there's a lot that we're going to cover here today. A full transcript will be available, and obviously available on a lot of different sites. BicycleRetailer.com,, and ChannelMastery.com. So there's a lot we're going to cover here, but just know that we have you covered with the transcript and also with articles after this.

Kristin: [03:47](#) So, let's talk about Powered by Beeline, Pete, because you and I have talked about this before. We've talked about how adoption can be slow until one day, it isn't. I think you've lived this in a lot of different lifetimes with your tech background. But this was a pretty exceptional case study of adoption ramping up quickly. You've opened 350 store locations already in just a three-month period, correct?

Pete Buhl: [04:13](#) Yeah. It's actually less than that. We went live with Powered by Beeline at the very end of January, January 28th. And we've got 350 store locations signed up across the country, and in the process of onboarding all those. And we've got a pipeline of about 100 dealers behind that that are in the process of signing paperwork and coming on board. And our goal is really to hit between 5 and 600 dealers by the end of this year, which we're well ahead of our initial forecast.

Kristin: [04:42](#) That's fantastic. I mean, you must be kind of shaking your head a little bit, because we've had a lot of conversations in the past few years about adoption and about people understanding integration between the channels, and what the consumers' preferences are and how they're being shaped every day. And it seems like you've created a solution that manages and closes that digital gap, if you will, for specialty retailers and brands, as they're competing for the attention of this omnichannel consumer. It seems like you've really hit a sweet spot here.

Pete Buhl: [05:11](#) Yeah. I think, as you said, hustle, we're running full speed ahead, because we have lots of dealers that we're onboarding. And we're also kind of simultaneously in discussions with a lot of brands who have interest in that great last mile experience and selling products online. And so we're kind of chicken and the egg, we're building this network very quick. We're also working with brands and trying to pull it all together so that we have ... At the end of the day, it's got to be a great solution for the consumer, a great solution for the brand, and a great solution for the dealer. So we're trying to balance everything and keep things moving quickly.

Kristin: [05:50](#) It's tough to build efficiencies around that. Every store seems to have their house of brands, the way that they story-tell for their specific community. They're also adjusting and creating channel strategies on the fly as they're going through the year as they study what their community and consumers need. And then obviously, we're seeing big news headlines from companies that drive change in our markets. So specialized click to bricks. We talked about this in our rehearsal call. I know that you said you're happy about this, and I actually was heartened when you kind of gave us your take on that, because I think a big pain point right now for a lot of remarkable dealers is they have these great brands. Every single one of them has their own process. And it's almost impossible for them to keep the lights on, evolve, be remarkable to their consumers, offer brand experiences when every single brand seems to have a different

way to get the product from the mothership to the consumer in a really great experience.

Pete Buhl: [06:47](#)

Yeah. That was one of the biggest learnings as we talked to dealers in the context of developing the system is they were just hugely challenged in simply managing all the different logins and all the different systems for the online piece of their world, whether that be service [inaudible 00:07:04] or Amazon Fulfillment that shops could sign up for, or the brands that they support in their shop that were doing direct to consumer. It was all kind of a hodgepodge of logins and emails and phone calls, and at the end of the day, it was a bad experience for a customer, because bikes showed up and the dealers didn't know where they were or what the customer's expectations were. And it was impossible to really manage. And so we've tried to provide a unified platform and dashboard to manage all these online inputs. Again, service appointments and bicycle from across any brand, and give dealers a tool that can help them transform their business and really future-proof their business, from the perspective of engaging with these online opportunities that exist for them.

Kristin: [07:52](#)

And that's the exact way that you get to create a loyal lifer consumer, so I feel like the brands have the best interest of the consumer in mind when they sign up for these bright, shiny new objects. Like, okay, now your consumer will order the product. It will be a last mile fulfillment offer or just a bricks to clicks. But essentially, they all sign up and say, "Okay, I want to have a good line of communication." They're going to get an email that says, or a text, like, "Your bike's in the store." And what you're telling me, and what [Eric 00:08:22] also told me, from Eric's Bikes and Boards, is they're getting that. They're coming down there, and the bike's not built. And that's a really major problem. That is something that we need to engineer as we're looking to brand experience. Everybody's like, "What is that?" It's an overused cliché. I have to have a brand experience. Well, this is what it is, folks. It's basically making sure that what they see when they're researching and what they experience throughout that process is ending with picking up that bike is fantastic. And that's essentially what Powered by Beeline is helping people do, is making that a process for their operations.

Pete Buhl: [08:57](#)

Yeah. This is where software can really help the customer experience. So when one of our brands at Accell, Diamondback, Raleigh, Haibike, IZIP, Redline, or the other brand partners for live with Pure Cycles and Clarion. There's been about 24 other brands that we're talking to right now. But if a bike is sold to a

consumer, expectations are set with that consumer in terms of when they can pick up that bike. And that expectation accounts for shipping time, how long is it going to take to ship to the shop. What days the shop is open and they can actually work on the bike. So if a bike shows up on Sunday but the shop is closed, then we've got to put another 24 hours in there.

Pete Buhl: [09:40](#)

The whole process is designed to tell the consumer when they can go pick up their bike and set that expectation properly. But also provide the shop enough time to get the bike, assemble it, and be prepared for when that customer walks in the door to offer a great experience, be able to upsell parts and accessories, be able to sign them up for ongoing service appointments. There's a great, as you mentioned, kind of lifetime value opportunity that comes when that customer walks in the door to pick up their bike.

Kristin: [10:12](#)

I'd love to get your take on what some best practices might be for after the fact, right? And we've been talking about this for the last couple podcasts that we've done together, and I'll put links to all of those in the show notes, everybody. Obviously, there's been a lot of evolution since we last spoke. But do you have anything that you can offer, in terms of insights that you see working today for the most consumer-centric brands? And around engaging the loyalty of that person who's picking up a bike, that new customer? Because that's what I have always seen Beeline as a portal for.

Pete Buhl: [10:48](#)

Yeah. So, from a dealer perspective, we've been engaged with dealers and had dealers as franchisees for several years now. And so what we saw and what we enable is really all these great ideas that different dealers have across the country to really propagate. And so for example, we've had dealers who, when they're having a customer walk in to pick up a bike, they fully outfit the bike with all the parts and accessories that the customer might need, and the bike's ready to go. If the customer wants to ... And all that P&A is available at a package price. And if the customer doesn't want it, they take it off.

Pete Buhl: [11:26](#)

But there's a great opportunity there to have the customer walk out with a big percentage of the products that are already installed on their bike right there. So that was one great kind of technique that we've seen. Signing up a customer for a service appointment so it's pre-scheduled and they're ready to come back in. There's all kinds of ways to engage with that customer when they come in your store. Give them a full tutorial on the bike and show them how to use it and make sure that they

understand the bells and whistles. All these bikes are getting more and more fancy and more and more technical, and spending just that little bit of extra time with the customer to get them comfortable with their bike creates beginnings of that long-term relationship.

- Kristin: [12:06](#) Right. And are you seeing any channels that are evolving or maybe taking more attention than others? I mean, obviously, you and I have talked in the past about growing an email list and nurturing consumers through that, and we've talked about social media as well. Any takes that you want to offer in terms of like the best ways to nurture these consumers after they come into your store through a channel, specifically, that that might be more popular now?
- Pete Buhl: [12:31](#) Yeah, I still think email, direct email messaging, is the most effective way to communicate with these consumers that are coming in, and you've got to do it now in a managed way or not, obviously, spam and bombard them too much. But if it's a value add communication, that's a great way to kind of build that relationship with customers. And the great thing about Powered by Beeline [00:00:53], now as a dealer, when these customers are coming into the system and being delivered to your shop, those are your customers, and you have their contact information and email address and you can now connect with them, the online modes.
- Pete Buhl: [13:09](#) You can also do lookalike lists on Facebook, so you take the email list that you have and you say, "Hey, I want to find other people like this," and Facebook has all these marketing tools that are pretty advanced now. Instagram's getting bigger. But still, email's the one that most shops understand and use, and it's, I still think, the most effective tool for engaging with most of the consumers that we're seeing today.
- Kristin: [13:34](#) I do as well. And I just want to add from the brand and marketing point of view, don't just use your email to advertise your sales. There's nothing worse than that. We want to get people to join a tribe and to join an experience at your specialty dealer.
- Pete Buhl: [13:48](#) It's about value added messages to the customer that is going to give them something useful to read. And it's not a problem to have some product offers around that, but make it value add for sure.

- Kristin: [14:01](#) So let's talk a little bit about, I think he's called it the second phase of Powered by Beeline [00:00:14:05] with your Shopify app connection, because I saw some news in the broader business realm around Shopify adding some features to essentially help brands that use their shopping cart to make it more relevant in a physical retail environment. I'll put a link into the show notes for that, but let's talk about how you're specifically doing that cause you evolved your software to work with your Shopify consumers.
- Pete Buhl: [14:31](#) Yeah, we had, in the past when we were mobile only, created a plugin for Shopify that would allow a customer to buy a bike online through one of the brands that was using Shopify and then have one of the shipping or fulfillment options be delivery to your door. And our system in the background handled the logistics for customer communication. And, again, expectation setting and that sort of thing.
- Pete Buhl: [14:57](#) When we went to Powered by Beeline [00:00:14:58] we needed to do a whole new development effort to extend that to ship to store. And we've done that now. We released that about a week ago. We are in production with [Pure Cycles 00:00:15:10] and with [Cleary Bikes 00:15:11], and, as mentioned, we've got about 24 other brands that we're in discussions with coming online. And, again, it's only been a week or so that we've had the complete functionality available for both mobile delivery and shipped to store, but that's a great opportunity to bring dozens of brands on board that are using the Shopify application and enable that same great consumer experience at the last mile, and, again, deliver a customer to the bike shop that they can then have an ongoing relationship with.
- Kristin: [15:42](#) And Shopify is just such a trusted tool, or partner, if you will, in that process, I would imagine.
- Pete Buhl: [15:48](#) They do a great job. They run a great platform that's relatively easy to manage and is great for these emerging brands.
- Kristin: [15:58](#) So I can't wait to see how that unfolds. Obviously, you're getting ready to head out to a bike community and industry gathering and the kickoff in [Sea Otter 00:00:16:05] and the bicycle leadership conference. Have you had any sort of precursors or anything that you're anticipating in terms of those networking conversations that you're going to be lined up for? And, by the way, this should come out right about the same time that that gathering takes place.

Pete Buhl: [16:22](#) Okay. Yeah. We've got a whole bunch of meetings set up with all kinds of folks, and it's great. We're gonna have a whole team. I'm going to be there, Pete Small, who's our COO, and Neil Mack, who is our head of business development/network development, we're all going to be there meeting with people both through leadership conference and [Sea Otter 00:00:16:42]. And the goal is to get as many quality brands that want to be part of our network on board and let them take advantage of this amazing network of IBDs that we have signed up to do last mile fulfillment.

Kristin: [20:34](#) So Pete, can you also talk about ... I've had a lot of guests on this show that have talked about the importance of having visibility into inventory into stores. And in other markets that we work in, I think that that's definitely something that's more of a must have and not a nice to have. How is that evolving in the bike industry in your opinion?

Pete Buhl: [20:59](#) Yeah, you know, so what we're seeing today and doing today is we're only exposing what's available in the warehouse or online to consumers. I think there's a huge opportunity to expose that local inventory, because in that case the customer can go and get it right away and it's right there in the shop. Yeah, I think what that requires is integration with the point of sale and maintenance of good inventory records in the shops, which is a little bit hit or miss. And so what you don't want to do is expose something that's not there or vice versa, and then have a bad consumer experience. So I do think more work needs to be done in the industry to figure out how to help the dealers track this inventory that's in their shops. And when the data is complete, we can expose it to the consumers. But I think we're a little bit early on that front.

Kristin: [21:52](#) That's what my understanding is as well. The reason I wanted to bring this up is I think it's important for us to get on top of this because they consumers are experiencing this as consumers in pretty much every other category they're in. And you're absolutely right. I think I even read somewhere that like one of the biggest ways to lose a consumer and piss them off on the level where they even talk about their bad experience to others is to get them off their couch, get them out of their pajamas, have them come down because they saw that there was inventory that actually is not in the store. So it's a big point of exposure.

Pete Buhl: [22:25](#) Yeah. No, we're happy to be kind of advocates and conduits for doing that, but we need the data to be accurate so that we can

provide that great customer experience, otherwise we're going to go backwards on that front, which we don't want to do.

Kristin: [22:38](#)

And it's just been so interesting to watch you evolve your entire business from, I think, creating a friction free, easy way to expand a channel, so many great things that you started with, but now you're actually becoming a partner to logistically and operationally connect dealers and brands to consumers. So there is that consistency, there's that trust, and there's an exceptional specialty experience that's being offered. So I just think it's amazing how you've evolved the company. And I'd love to hear kind of where you think things might be going through the remainder of 2019.

Pete Buhl: [23:16](#)

Yeah, that's interesting you say that because we kind of think of ourselves as this glue layer between consumers and brands, and the dealer represents the conduit, really, for the connection there. And so the software's providing all this kind of expertise and support to, in a very friendly way, deliver that consumer from a branded website to the product with the last mile. And so we see all kinds of, you know ... We have an innovation pipeline that is dozens and dozens and dozens of lines long in terms of where we want to take the product. You know, I think there's a couple of vectors here is allowing more online products to be delivered via dealer stores and their mobile stores.

We see more and more dealers actually activating their vans and going out into the community and expanding their shop brand in the community using the Beeline system, but we see a lot more brands coming on board. Beyond Shopify there's other online platforms that we'll integrate with, some of the larger e-tailers are partnering with us as well. We look forward to announcing those in the coming weeks and months. We're talking with some of the very large brands about coming on board, which we think we can offer them a really unique opportunity to provide a really branded consumer experience end to end for their brand, such that if big brand A sells a bike, it goes to a big brand A dealer with a good customer experience. We're doing some innovation in that area.

Pete Buhl: [24:55](#)

Then, on something that we've done historically from a Beeline perspective is we had massive engagement with large corporations who have many hundreds of thousands, millions of employees that ride bikes, ride bikes to work. The companies are encouraging their employees to commute and that sort of thing. We see some of our corporate tools that we built

historically being utilized by dealers to engage with the corporate community and the employees at those offices to engage those consumers and sell them a lot of product. That's [crosstalk 00:25:33].

- Kristin: [25:32](#) That is super interesting.
- Pete Buhl: [25:35](#) Yeah.
- Kristin: [25:37](#) That's fantastic. Well, I can't wait to see as you guys roll those out. As you know, the purpose of this series is to basically give an update and a line of sight on where things are going with channel evolution in the specialty bike community and industry. What do you think that the two strongest levers are to be the glue between brands, consumers and dealers as kind of that final anchor point?
- Pete Buhl: [26:05](#) Well, I think the number one thing is to take these online consumers and deliver them in a very easy to manage way to the dealer with enough revenue that they can make a decent margin and have a good ongoing relationship and enhance kind of customer lifetime value from that customer that came in the door that would never have come in their door through kind of traditional modes. I think just delivering more customers and more dollars to dealers in a very manageable way, I think that's kind of job one.
- Pete Buhl: [26:44](#) I think the other thing that we can do is offer dealers a tool to expand their service capabilities. Today consumers sign up for tune ups, they bring their bike in and get them fixed, but you can imagine all kinds of other types of service that a customer might want, a fit, I don't know, a parts and accessory install, all different kinds of things, so different types of appointment types being put in the system so that a shop can effectively engage with consumers online and let them sign up for the type of service they want and then manage it on the back end through our dashboard.
- Kristin: [27:20](#) You're going to learn so much about your consumers that way. I feel like you can put something out, an announcement for a clinic or a women's technical bike night or whatever. I'm starting to see these happen because obviously we're in high season, but to have it go through a portal like this and a platform like this, I think gives you a lot of information in terms of like how you can shape that before the event even happens, right?
- Pete Buhl: [27:46](#) That's kind of like [crosstalk 00:27:48].

Kristin: [27:47](#) Then obviously you can follow through.

Pete Buhl: [27:49](#) Well that's kind of a direct example on this corporate thing that I was talking about is we had, and this just happened yesterday, is we had one of our dealers sign up a company and they were going to do safety checks at the company and they enabled an appointment for 30 safety checks. We had about 130 employees sign up. Obviously we can't do all 130 employees, but we have 130 employees we can now connect with, offer them services. We can come back for future appointments. We can engage with them in all kinds of ways. It's just a great customer acquisition tool. The system and the communication sets the message for, "Hey, bike to work day is coming up. Let's get everybody set up and ride bikes," and that sort of thing. There's lots of opportunities here.

Kristin: [28:35](#) That's fantastic. Then I have kind of a last little question. I know you can't really like tip the hat in terms of some of these brands that are looking at possibly joining Powered by Beeline, but we've seen a couple of examples of very strong, whether they were preexisting direct to consumer or they are now very strong direct to consumer brands, that don't have a retail presence, that don't have reps, and as far as I know, don't have plans to expand into existing IBDs and whatnot. Do you have any sense of kind of how the evolution is happening around those brands, because I'm not sure? Again, I'm not asking you to name names, but doesn't it seem interesting that like these brands are so strong in the way that they've been built and part of their value equation is kind of almost like bypassing exactly what we've been talking about for the past 40 minutes here, 30 minutes? Give us your take on that.

Pete Buhl: [29:32](#) We've talked to probably most, if not all of them. I think they all would love a last mile solution where the bike gets assembled and gets handed off to the consumer in a consistent and positive way is great for their brand. They all want to do that. They just want a consistent consumer experience at the last mile. That hasn't been possible historically. It's been hit or miss. You can call into a shop and say, "Hey, can you take this bike? I got this customer." It's very hard to manage and clunky. I think with our network, we provide that.

Pete Buhl: [30:06](#) The other thing that we provide is there's customer feedback on every single appointment that happens in the system, whether it's service or a bicycle fulfillment. What's going to happen is when a customer signs up for fulfillment, they're going to be able to see the score, the customer service score of the shops

and kind of make a determination accordingly, because we want the shops that are making that extra effort to provide a positive customer experience to get those fulfillments. A brand could come on our platform, they could say, "Hey, we only want shops that have over a 4.85 rating to be shown as fulfillment shops for our product." We have ways of taking that customer feedback and showing stores that are kind of going the extra mile to create that great customer experience.

- Kristin: [30:57](#) That's really cool. This made me think of one other thing and we can close, obviously head to closing up here because I want to respect your time and the audience's time, but you just made me think about something that's so powerful for those direct first brands because I think across all the markets Verde serves, sometimes, not all the time, but sometimes brands are starting to not be as excited to go through a wholesale dealer network because they're losing control of their story. I mean this is a historical problem, but for a direct first brand that's always controlled that, I could see how they could be trepidatious to want to open like a handful of just the right retailers, because they're still going to lose control of that story. What you're giving them is a way to actually deliver their story straight through to the consumer, picking it up from a local trusted shop without having to actually engage with, educate, set up the shop to be a retailer, et cetera.
- Pete Buhl: [31:52](#) Yeah. We provide all the logistics for doing that. They just have to sign up to the platform, and then they get the feedback on how their customers are feeling about their products after they're delivered by the shop as well. They're getting kind of full round trip feedback on that last mile experience as well.
- Kristin: [32:10](#) That's awesome. You guys are just crushing it. This is really cool. It's really cool. I really appreciate your time. It's so great to always have you on the show here. I mean I think this is your third time back to Channel Mastery, if I'm not mistaken. I just really appreciate your time and everything you're doing to further this. I mean, you're literally helping the industry to modernize with what you're offering there.
- Pete Buhl: [32:33](#) Yeah. I appreciate the opportunity to be on the show. It's always fun. Yeah, we'll keep hustling and keep moving the ball forward here.
- Kristin: [32:42](#) Awesome. Tell my amazing audience where they can learn more about you and what Beeline offers.

Pete Buhl: [32:48](#) Go to beelinebikes.com and you could also go to beelinebikes.com/poweredby and learn more about the Powered By platform.

Kristin: [32:57](#) That's fantastic. All right. Thank you so much, Pete. I look forward to having you back again here soon.

Pete Buhl: [33:02](#) Okay. You too. Thanks a lot.