Number Crunch

29ers Make Mark on Front Suspension

BY RAY KEENER

The most significant statistical development in our industry since the 1991 Bicycling magazine consumer research is the Leisure Trends RetailTrak, which has been monitoring sales through a panel of 232 U.S. retailers since May 2009.

Charlie Cooper of Leisure Trends is currently selling the results of RetailTrak to the supply community. Retailers who link their POS data do so for free, and then get to share in the results. Revenue to run the program is supplier based.

"Interbike 2009 was fantastic," Cooper said. "Reaction from manufacturers that had the opportunity to view retail sell-through numbers down to the brand and model level was enthusiastic and energetic."

One of the big questions on everyone's mind at Interbike was how the 29-inch mountain bike segment is performing at retail. Industry veterans were somewhat shocked to see that less than 5 percent of sales were 29ers.

However, some price points are dominated by 29ers. Most 29ers that are being sold are front-suspension bikes with an average retail price of $1,200. Front-suspension bikes with 26-inch wheels have an average retail price of $500.

For all mountain bike price points, 29ers represent 4 percent of unit sales. For all mountain bikes from $800 to $3,500, 29ers represent 19 percent of unit sales. Meanwhile, 29ers represent 47 percent of unit sales of front-suspension bikes in the $800 to $3,500 price range. And 29ers represent 9 percent of unit sales of full-suspension bikes priced from $2,000 to $5,500. This data is based on retail sell-through from May through July of this year.

29ers are 4% of total mountain bike unit sales but 47% of front-suspension sales between $800 and $3,500.

Source: Leisure Trends

Retail Spotlight

The Spokesman Bucks Value Trend

BY RAY KEENER

If one had to summarize the 2009 season in 10 words or less, it would be: "Single-digit down, no high-end, could be worse."

However, one glaring exception is Wade Hall of The Spokesman in Santa Cruz, California. I ran into him in a buffet line at Interbike. "I sold more high-end bikes this summer than any year in the past 15," he said.

Hall said he sold twice as many $6,000-and-up bikes and three times as many $10,000-and-up bikes than last year. The Spokesman grosses about $2.5 million, and carries Specialized, Cervelo, Look, Colnago, Seven, Moots and Ibis. In the $3,000 to $4,000 range, sales were down 15 to 20 percent, he said.

So what does Hall attribute the banner year to? "Years of slowly building our reputation," Hall said. "Just our continuing strategy of high-paid, mature, adult salespeople, mechanical and fitting excellence, word of mouth and referrals."

Hall sees high-end bicycles as socially conscious purchases. "The customer can't afford a new Mercedes, so she buys a $10,000 bike and puts it on her 2007 Benz. It's OK to buy a $10,000 bike, but not a $60,000 Harley or a boat because bikes are healthy and fit, so it's easier to justify the purchase," Hall said.

And the Spokesman doesn't depend on its surrounding Santa Cruz area for sales. "It's the Central Valley, Palo Alto, San Francisco, Silicon Valley, and a huge women's business," Hall said. "Over half of our $3,000-and-up business is to women. We get incredibly strong referrals from women who are tired of being treated like shit in bike shops."