

Editorial

Retail Floors Should Reflect Increased Market Share of Hybrids

Hybrid bikes, long the wallflowers of retail floors, may deserve a place on center stage.

Hybrids now account for one-fifth of bikes sold according to recent data from the Bicycle Product Suppliers Association (see story page 1). The category accounted for close to 20 percent of units shipped to specialty retailers in the first quarter this year compared to just over 15 percent in the same period a year ago. That's a dramatic increase in mar-

ket share in just one year.

While some may wonder if it's a short-term gain, changing consumer mindsets suggest that hybrids may be a larger part of the long-term sales picture.

Hybrid bikes, which are on average one-third of the price of road bikes, speak to the new value-oriented mentality of today's shoppers. Consumers have altered their spending habits with a renewed emphasis on getting more for their hard-earned dollars.

Hybrids also reflect a growing consumer mindset toward sensible purchases. Customers that would have once purchased a trail bike for use around town may be less swayed by the cool factor. That means a more practical bike with upright geometry, road tires and handy accessories could win out in buying decisions.

In the short term, consumers planning to stay closer to home this summer could purchase hybrids for day trips and

local outings. And if gas prices rise this summer, when oil prices historically peak, employees might consider buying a comfortable bike to ride to the office.

With all this in mind, retailers would be wise to adjust their sales floor layout to favor hybrids. Not all shops cater to this mid-market consumer, but generalists that carry a full array of bikes need to ensure that their retail floor resembles the shifting tide of consumer sentiment.

Guest Editorial

Dare to Offer Purpose-Built Bikes as Car-Replacement Vehicles

BY TOM PETRIE

Everything "clicked" for me as I watched a woman stop her bike in front of a convenience store. In a single motion she got off her bike, put down the kickstand, locked the bike and walked away. She was middle-aged, dressed in normal street clothing and simply doing some shopping. What clicked for me was this—the bike was her car.

I was in Holland. The Dutch use bikes. I emphasize the word "use" because they use them as utility vehicles. For the Dutch, bicycles are not recreational vehicles—an umbrella term I use to include mountain bikes, racing bikes, cruiser bikes, tri bikes, flatbar road bikes, and all the other recreational bicycle variants that fill real estate in American shops, homes and garages.

In Holland people use bikes the way we use cars. Just as you expect your car to lock with a click of the remote or a twist of the key, the Dutch expect instant locking on their bikes. They expect to have their lights switch on automatically in low light, and bikes to be equipped with kickstands, fenders, chainguards, racks and every accessory that's useful and convenient for daily use.

I met with the manager of a large shop in Veenendaal and spoke with him about his business. His average selling price is 1,200 euros (US\$ 1,560). He had more than 400 bicycles in his shop, of which fewer than 40 were road racing or mountain bikes. Every other bike was a fully-equipped utility bike. That's a 10-to-1 utility-to-recreational ratio.

Imagine if we had that ratio here.

Imagine a 10-fold increase in unit turnover as a simple consequence of offering purpose-built utility transportation bikes instead of focusing exclusively on recreational bikes.

Some say we can't do that and that it would never work here. Rick Wagoner might agree, but I don't. Why are we so sure the Dutch model won't work here? How can we know unless we try? How many retailers even offer their customers the option of a full-dress car-replacement vehicle?

The objection I sometimes hear is that offering such a fully equipped transportation bike denies retailers high-margin accessory sales. Just the reverse is true. It shows consumers functional accessories they wouldn't otherwise know of and it creates accessory sales opportu-

nities that wouldn't otherwise exist.

Moreover, in a market congested with narrow-margin recreational bikes, a ready but lightly-served utility market exists. Can we get an immediate 10-fold increase in unit turnover simply by offering purpose-built utility bikes? Probably not, and certainly not immediately. But forward-looking retailers will recognize this growing market opportunity.

Dare to offer a purpose-built car-replacement vehicle. The number of people who need transportation is considerably larger than those who need toys.

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