A FEW GOOD WRENCHES
Commuters’ high demand for service drives a mechanic shortage in the Windy City.

Speedy e-bikes trouble industry
Association worries the rise of 'fast pedelecs' could threaten the market, says they’re more moped than e-bike.

By Doug McClellan
Some electric bike consumers are running with a fast crowd—and that’s worrying the industry’s e-bike association.

Ed Benjamin, chairman of the Light Electric Vehicle Association, is raising an alarm about the growth of “fast” e-bikes in the U.S. market, or those that exceed the 20 mph limit set by federal regulations.

He worries that the growth of these types of vehicles—some of which are advertised as achieving speeds, under power, of 40 or even 60 mph—could jeopardize the e-bike industry.

“LEVA sees those as dangerous,” Benjamin said. “They’re dangerous to consumers. They’re dangerous to the industry because they are motorcycles or mopeds that are not equipped properly.”

BMX down but not out
Shipments have declined, but a new wave of young riders could revive the segment.

By Matt Wiebe
PHILADELPHIA, PA—BMX freestyle and race shipments to dealers are down 30 percent over the past three years, according to the Bicycle Products Suppliers Association (BPSA). Shipments of all bikes are down a more modest 5 percent over the same period.

The industry can breathe a sigh of relief—at least it has held on to sales better than BMX. But should it be relieved?

“Whether you ride road or mountain, most people in the industry rode BMX at some point. It used to be most of the people I saw at Interbike I had ridden...”

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LIGHTING YOUR WAY
Merchandising 101
Windy City dealers share lessons on buying and displaying product.

By Lynette Carpenter

Space and location dictate how Chicago dealers buy and how they display bikes and accessories. Large pre-season orders are common at bigger-footprint stores such as Village Cycle Center or Kovy's Cycles. But absorbing the cost of inventory isn't an option for smaller businesses like The Pony Shop, which chooses to order only what it needs, bringing in 10 to 20 bikes a week and paying off its bills in 30 days rather than extending terms. With a 1,500-square-foot showroom, Pony Shop owner Lou Kuhn chooses not to stock apparel, and his limited selection of parts and accessories is crowded into a couple of corners of the shop.

"Clothing makes the store look good but we have no space," Kuhn said. "Plus margins aren't that great."

Get a Grip's Adam Kaplan also struggles with clothing, which he calls a necessary evil. It's a tough SKU, but despite his small 1,500-square-foot showroom, he stocks Mavic, Castelli and Assos—all higher-end lines that tie in with his high-end bike brands, which include Cervélo, Litespeed, Seven, Serotta, Parlee and Firefly.

Kaplan said he stocks brands that allow him to pick and choose models, and while he orders pre-season, he only works with vendors who are flexible.

"We're a small shop and I can't be a warehouse," Kaplan said.

Blue City Cycles' 900-square-foot sales floor also lacks clothing, and with limited space comes a very tailored selection of no-frill, utility-oriented accessories including flat pedals, grips, fenders, racks and commuting tires that suit the store's blue-collar, commuter clientele.

At the other end of the spectrum, Paul and Ron Kovy dedicate an entire floor at their massive 35,000-square-foot, multi-level store to apparel, shoes and helmets.

"I'm the only place where you can find six different brands of $1,600 road bikes and truly try them side by side," said co-owner Paul Kovy. "We're as big as we are because of the selection. I also have the square footage to show many brands. We don't push one brand or another—we let the customers decide what the best value is."

At Village Cycle Center's 30,000-square-foot building, owner David Wilson has plenty of space, but he prefers to go a mono-brand route with bikes, stocking only Trek's brands, though with parts and accessories he offers Sidi, Bontrager, Gore and Bell/Giro. He says Trek covers all of his bases and he frontloads inventory early on to ensure he's not out of stock when spring and summer arrive.

"Certain things we can't afford to be out of," said the store's Anthony Mikrut, as he gave a tour of the upper floors where boxes upon boxes of bikes, helmets and shoes are stacked to the ceiling. Mikrut said the store keeps about 1,000 helmets in stock.

About 300 Trek bikes—all styles and sizes—are racked up on the 4,500-square-foot sales floor.

Other factors that affect buying decisions are pricing. Windy City retailers have dumped certain lines and brands because of rampant discounting online.

"It's happening now more with premium brands in the U.S. and resulting in damage to the brand," said Stuart Hunter, owner of Roll!, one of Chicago's newest shops. "Two bike brands in particular we have eliminated in our lineup because of their decision to go online and consumer direct at 50 to 60 percent discounts, which is below wholesale price. We're not in the business of being a fitting room for online sales of a clearance brand."

And retailers are also keying in on American-made products. Both Heritage Bicycles General Store and Get a Grip Cycles specifically stock made-in-USA bikes and accessories. Heritage owner Michael Salvatore goes as far as welding his own city bike frames from locally sourced steel and stocks urban apparel and bags from U.S.-made brands Rozik, Wheelman and Company, and Detroit Cargo.

"People are looking for handmade, unique, made-in-USA product and we can deliver that," said Get a Grip's Kaplan, adding that the store can sell up to two custom Seven bikes, priced from $4,500 to $6,000, each week during the peak season.

Fixturing and store layout varied widely among the shops visited. Wheel & Sprocket, Get a Grip Cycles and Roll! stood out for their sleek, uncluttered merchandising that emphasized store branding with unique color palettes and custom displays.

Owner Chris Kegel closed his Evanston Wheel & Sprocket store five weeks in January to complete a six-figure remodel that included new flooring and fixtures and turned the mezzanine, formerly a storage area, into a dedicated fit studio. Store manager Chris Maling said Kegel had a lot of merchandising ideas and used general contractors for the remodel.

Wheel & Sprocket avoids using supplier point-of-purchase displays, preferring modular setups from Chicago company Opto. The wheeled displays can be moved easily, enabling the shop staff to rearrange the store layout.

Roll's Hunter also very rarely uses vendor POP. All of the store's fixtures and signs are custom designed and manufactured and are also on wheels. Though the overall feel is luxurious, Hunter said his fixtures and store design are economical. Hunter uses a fluorescent green color to tie in the branding at all four of his stores, including the newest in Chicago, and also makes use of recycled wood.

"That's the beauty of great design," he said. "It doesn't need to be very expensive."

The colon used in the store's name is carried throughout in store product signage—carrier accessories, gear, wheel works, for example. "The colon is supposed to represent wheels," Hunter said. "We used it as part of a graphic device but also as a grammatical device in the communications of the store. It's a very recognizable symbol for us. Both the colon and the word Roll!"

Hunter said his intent was to create a more universally appealing and accessible shopping environment. "Just because it's a bike store, why should it look like what we've come to understand as the norm?" he said.
Wrenches

The Pony Shop glues on more than 300 cyclocross tubulars a season at $50 a pop, but retrofitting racks and fenders and selling stout tires for Chicago’s potholes are just as steady.

“We already get a lot of drop-in service business. They bring in their bike and shop around us in the Dempster district while they wait,” said Lou Kuhn, The Pony Shop owner.

“Now with Trader Joe’s going in across the road, I expect our service business will take off,” he added. His staff of six is maxed out at 40 hours a week, so Kuhn is planning on going to two shifts to keep up with service needs.

Michael Salvatore thought that by doing two shifts of mechanics—his shop is open from 7 a.m. to 8 p.m.—he could get ahead of his service needs at Heritage Bicycles. Still, he finds himself five weeks out on repairs. On the upside, a person needing a flat repair can get it done by walking in, buying a coffee and waiting.

The jump in commuter service needs is happening all across the city, and shop owners say finding good mechanics to help them meet the demand is next to impossible.

On average, shops say service contributes 25 to 35 percent of sales, but many note the percentage would be higher if they could just find mechanics.

Get a Grip will turn around a bike repair in 24 hours, but customers have to make an appointment up to three weeks in advance. The shop would like to add a mechanic to its current staff of two, but as a full-time year-round position.

“It’s very hard to find someone that is both a good mechanic and has initiative to do all the other stuff that needs to get done here,” said Rick Danguiiland, Get a Grip’s sales manager. Danguiiland realizes the shop is not meeting its service needs, but hiring people who do not work out is not ideal either.

Johnny Sprockets recently added a few repair stands, planning to expand its service department to keep up with its growing service needs, but it cannot find mechanics.

“It’s not that we are not getting qualified applicants. They have experience and have gone to good schools. I have them build up a few bikes for us, but I don’t know, they just don’t have the passion for the work like I see,” said Manuel Tenorio, owner of Johnny Sprockets.

One of the first things on the agenda for the resurrected Chicago Area Bicycle Dealers Association (CABDA) is development of a mechanic certification program.

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Kozy’s Cycles

**Employees:** 49  
**Sales floor space:** 35,000 square feet (corporate store/office), plus three additional stores  
**Years in business:** 53  
**Emphasis:** General sales  
**Main brands:** Specialized, Cannondale, Giant  
**Owner:** Ron Kozy

After some 40 years as a retailer, Ron Kozy has come to value employees who exhibit one key trait—common sense.

“Finding good help is our No. 1 challenge; hiring managers—people who can handle problems. Problem solvers. When you get this size, problems come along and one of the biggest assets managers can have is common sense,” he said.

Kozy’s Chicago-bred style of conversation is direct. But he tempers it with a sly sense of humor and a wry smile. Here’s a sample:

- “It’s a lot more fun running one store than a bunch.”
- “You have to hire good managers. It’s a headache.”
- “You have to have systems and continuity.”
- And his stores reflect his retail mantra: Consumers want what they want and selection is key. “That’s why I do things large. All my stores are large. Selection and availability is key and my inventory is massive. When you have it, it’s a lot easier to sell,” he explained.

With all the industry hoopla over merchandising finesse, Kozy’s main store would drive a merchandising guru nuts. His 35,000-square-foot corporate office and store is a multi-floor wonder. It’s stuffed with bikes and accessories. A browsing delight.

For example, Kozy said he believes electric bikes are going to go big at some point—he just doesn’t know when. But he’s backing his belief with eight e-bike brands in his inventory: Stromer, iZip, Pedego, E-Moto, Torque and Prodecce. They make up part of this inventory. One of them will be the next Trek or Specialized, Kozy said, and he wants to be in on the ground floor.

As for bike brands, again think selection. Or as Kozy puts it, “People want choice.” And choice they get: Fuji, Specialized, Cannondale, Jamis, GT, Guru and some dozen other brand names. It’s an eclectic collection.

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Pony Shop, Evanston

**Employees:** 6  
**Sales floor space:** 1,500 square feet  
**Years in business:** 14  
**Emphasis:** Hybrids, cyclocross  
**Main brands:** Cannondale, Giant, All City  
**Owner:** Lou Kuhn

Consider this business opened as a university bookstore selling Pony study aids before starting to dabble in folding bikes, and now glues on more than 300 cyclocross tubulars during the season. “eccentric” is too simple of a description for this small shop.

Pony Shop carries no clothing and hardly any parts and accessories. Owner Lou Kuhn does not preorder, nor does he pre-build over the winter the midrange $500 to $600 bikes his local customers buy when summer arrives.

“I know it’s an unusual business, but it is dictated by the small space I have,” Kuhn said.

“But it has its advantages. I get bikes when I want them, not before. I get eight to 10 turns, so by the end of summer all my inventory is paid for. I have nothing to worry about over winter,” he added.

The shop places and receives a few bike orders a week, and staffs build for the sales floor all season long. Kuhn quips that his business model relies on a strong relationship with his suppliers. He moves so many bikes through his small shop that reps call him when they are getting low in his most popular models, just to give him a heads up.

Come winter the shop transforms into a cyclocross pro shop. Out with the summer inventory of midrange hybrid bikes and in with Dugast tubulars arriving by the case and Hei Belgium rims showing up in many drillings. Kuhn and his employees work together so everyone can train during cross season and get their work done at the shop.
"Mechanics are in such sort supply in our market that retailers are frustrated. We are still getting started, so I don't know if we will develop our own training program, or what the certification program will entail. But dealers know they need to take action," said Jim Kersten, who owns Edgebrook Cycle & Sport with his dad and is leading the re-establishment of CABDA.

Ciclo Urbano offers Chicago youth a variety of mechanic training programs. Alex Wilson, founder and executive director of West Town Bikes, the nonprofit parent of Ciclo Urbano, says the shop has placed five graduates from its mechanic school at area shops since winter.

"Shops are already calling us asking about our students and programs. As more graduates get out in the work force and establish a reputation I expect we will see even more interest," Wilson said. From its nine repair stands, and nine sets of tools, West Town Bikes teaches two 10-week-long mechanic classes to high schoolers and recent graduates over the school year. And it is planning to add a framebuilding component so its mechanics are able to repair frames and forks.

And mechanics have Chicago commuters to thank. Most shops are looking to hire mechanics year-round, not just during the summer peak season. In spite of Chicago's hard winters shops say commuters ride all winter long and need service the whole year.

Teaching someone to fish feeds them forever. Likewise teaching cyclists how to change flats, adjust drivetrains or true wheels should keep them from swamping a service department in the first place.

Brian Dehner leads up to eight students through basic bike repair for six classes a year at Kozy's Cycles. Over the winter the shop offers more advanced classes on tuning up a variety of drivetrains, disc brakes and suspension components.

"We even have students build up new bikes to floor in the intermediate classes. They love building up bikes out of boxes, which is just fine with me," Dehner said.

Wheel & Sprocket has a similarly robust instructional program, and service manager Gretchen Brauer says interest in the retailer's repair programs, ranging from flat repair to beginner and intermediate bike maintenance, is strong.

But have repair classes made a dent on service needs at the shops? Dehner and Brauer hate to think about their repair backlog without the classes in place, yet both shops admit their shops' promised two-day turnaround on repairs stretches during the season.

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**Edgebrook Cycle & Sport**

**Employees:** In season, 5 full time; non-peak time, 3 full time, 2 part time  
**Sales floor space:** 3,100 square feet  
**Years in business:** 62; under current ownership for 33 years  
**Emphasis:** Midrange bikes, commuters and families  
**Main brands:** Giant, Fuji, KHS  
**Owners:** James, Mary and Jim Kersten (son)

Owners James, Mary and Jim Kersten specialize in selling midrange hybrid and comfort bikes to casual riders. Jim is also helping revitalize local dealer group CABDA.

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**Johnny Sprockets**

**Employees:** 13  
**Sales floor space:** 7,500 square feet; second store, 2,100 square feet  
**Years in business:** 5  
**Emphasis:** Mountain  
**Main brands:** Giant, Niner, Specialized  
**Owner:** Manuel Tenorio

**Johnny Sprockets**

Manuel Tenorio was a photography student with a little time to burn, so he stepped into Johnny Sprockets to buy some cycling shoes. By the time the owner was ringing up Tenorio's purchase, he was offering him a job. A few years later Tenorio bought the shop.

Tenorio's positive, can-do attitude has served his shop well. Mountain bikes are not a big seller in Chicago. But Tenorio figured if he showed his dedication to the segment, area mountain bikers would seek his shop out.

Manuel Tenorio (above) was a customer of Johnny Sprockets before he joined the shop's staff and later purchased the business.

Now he is one of Niner's largest dealers, and Specialized full-suspension bikes exit the shop at a clip other dealers can only dream of.

"Ten years ago the average bike sale was $500; now our average is closer to $1,200, and the average mountain sale is over $4,000," Tenorio said.

He recently added a fitting room and a wet bar for discussing custom builds of road, tri, mountain and cyclocross bikes, so expect his average bike sale value to climb.

And consider some of those custom build conversations are with South Americans flying in to Chicago's O'Hare International Airport who make their way to the shop to get a bike exactly the way they want it.

There are plans to add a second-floor atrium restaurant within the shop as Tenorio thinks he can still do an even better job of improving his customers' shopping experience.
Online sales not a fit for everyone

By Marc Sani

Mention online sales a couple of years ago and you could count on a more or less hostile take on what the Internet was doing to bicycle retailing. Ask retailers today and the replies are nuanced. There's now a strategic acceptance of Internet sales—much the same as when catalogs from Performance and Nashbar flooded mailboxes 20 years ago.

Some dealers have ignored online sales and, instead, tailor their competitive position to serve a niche market. Others have dabbled with store-only websites, with mixed success. And others have leapfrogged into both feet setting up online markets on eBay, Amazon and other sites.

And Chicago's retailers appear to represent that diversity in thought and in action.

Kevin Corsello and Andy Kaplan stand out at Get a Grip Cycles—online sales have little impact on their business. And developing an e-commerce site makes little sense to them at this point.

As a high-end pro shop where fitting is the house specialty, there's nothing on the floor that can be bought new online.

Kaplan and Corsello co-own Get a Grip along with a second store that's primarily a fitting studio with limited sales.

"You can't buy a Cervelo online. If you want a Serotta, I suppose you could fly to New York and buy one at the factory, or you could come here," he said.

"None of the brands we carry are sold online. We want to work with brands that focus on BIDs and that want to develop a professional dealer network."

Their main store is a modest 1,500 square feet and offers a limited inventory of accessories and components, most of which are sold online. But they pay attention to accessory suppliers' MAP policies and pricing.

"What we have to do is distinguish ourselves and focus on professional levels of service. We want to work with people whose time is precious and who believe in spending money on service," Kaplan said.

Wheel & Sprocket, a seven-store chain owned by Chris Kelig, took a major leap into online retailing early on. Its Internet sales operation relies primarily on manufacturer closeouts bought at significant discount.

But now the operation is taking a lesson from the airlines, said Chris Maille, who manages the Evanston, Illinois, store. "Online sales, for the most part, don't really influence my business much that the community was reluctant to make. "It's a real triumph to be on this corner. For a long time, the bicycle was thought of as a leisure activity only for the wealthy," he said. "Bike lanes were seen as white lines of gentrification. That has changed."
with the exception of EighthInch,” he said.

EighthInch is Kegel’s in-house bike brand sold almost exclusively online—single-speeds priced from $300 to $600. The Evanston store, however, is the only outlet selling them on the floor, mostly to college students.

Like the airlines, Wheel & Sprocket is “unbundling” its services from unit sales. In other words, said Mailing, staff can sell a Trek at a very competitive price but then must upsell the customer with a Basic Fit ($125) or a Master Fit ($250).

“We have to present this information and get our customers to understand the value,” he said. “We have to be selling our services. You can’t get a bike repaired online; you can’t get a fit online. And even getting good advice on how to prepare for an upcoming event online is mixed. Those are services we can offer in person,” he said.

Mark Mattei at Cycle Smitty has a broad view of online retailing and has been selling duties product online through eBay since 1999. “It gives me, to some degree, the ability to find equal footing with bigger operators,” he said. “I can close out old goods; it offers me a more seasonal operation year-round; and it enhances cash flow. It also complements what I’m already doing,” he said.

“I truly embrace the world of e-commerce, but brick and mortar is still the lion’s share of my business,” he said.

From Mattei’s point of view, suppliers are dragging their feet and could do more to help dealers liquidate old merchandise. “E-commerce is valid when dealing with obsolete product that we need to liquidate. Suppliers don’t take it back, but we can sell it online. Instead of hammering me to buy more, let’s flip them on eBay and then capitalize on selling new bikes,” he said.

As for Ron Kozy’s four-store operation, online sales are part of his business mix. “We just don’t zero in on it,” he said. “Our website is very much devoted to bringing customers into our store. We localize it.”

Consumers who go online are hunting for price. They can’t touch it or feel it. “That’s why I do things large. Selection and availability is key and that’s why my inventory is massive. When you have it in stock it’s a lot easier to sell,” Kozy said.

Still, there are some items that get showroomed—like wind trainers—and customers go online to buy for a dollar less. But, Kozy added, the industry in general seems to be doing more to protect pricing on brands sold online.

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**Heritage Bicycles General Store**

**Employees:** 14, both coffee and bike shop/manufacturer, about 50/50 split

**Sales floor space:** 1,300 square feet

**Years in business:** 15 months

**Emphasis:** Transportation bikes and accessories, coffee shop

**Main brands:** Heritage-branded bikes; accessories from Bookman, Brooks, Detroit, Cargo, Rizk, Wheelmen & Co. and Yaklak; Shumpertown coffee

**Owner:** Michael Salvatore

While bikes decorate storefront windows at Heritage, peer in and you see young professionals working on laptops or reading on iPads at a long, wooden table, making use of the free Wi-Fi while sipping a latte or espresso brewed just a few steps away.

The bike side of the business occupies a small space in the back, but owner Michael Salvatore said revenue is evenly split between the coffee/deli and two-wheel sales and service, the cafe sells baked goods, sandwiches, soups and soft drinks and is busy year-round, helping him retain staff during the slow winter months.

Salvatore’s vision from the start was to sell affordable city bikes made in Chicago. “Hyper-local manufacturing is a big deal for me,” said Salvatore, who only sells his house brand of Heritage steel bikes. The vintage-inspired bikes are welded in a facility three miles from his shop using tubing from a local supplier, then painted by a vendor 10 miles away. Bikes are then built to a customer’s preferred spec at his store on Lincoln Avenue. He offers two models, with two more planned for debut by June.

Salvatore, a Chicago native who opened his urban chic cafe/bike store just 15 months ago in the city’s Lakeview neighborhood, is bullish about its future. He said he’s on track to sell more than 300 of his Heritage-branded bikes through his shop and website this year—he’s developing an app where people can design their own bike—and he’s rethinking his manufacturing process to shorten production times.

He’s also eyeing a space nearby where he would sell only kids’ bikes and accessories, including his Heritage Littles balance bike.

His focus on local also extends to his selection of softgoods, which are Chicago- or U.S.-made where possible. Selling 100 Heritage bikes in his first year, when he expected to sell 15, reinforced his thinking that a market exists for state-side manufacturing. His bikes can be had for as little as $799 for a basic singlespeed with coaster brake, chainguard and fenders, and top out at $2,000. He also offers customization in spec and colors.

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**Roll:**

**Employees:** Declined to provide

**Sales floor space:** 4,300 square feet

**Years in business:** One month at time of visit; three other stores in Ohio

**Emphasis:** Full service, full range

**Main brands:** Giant, Electra, Felt

**Owner:** Stuart Hunter

Open for less than a month when we stopped by, Stuart Hunter’s newest store on Clybourn Avenue in Chicago’s Lincoln Park neighborhood is still getting its bearings. Hunter said the shop is stocking a full range of bikes and accessories, which will be tailored down once he and his staff get a better sense of what customer demand is locally. For example, just a week after the visit, Hunter had picked up Stromer’s e-bikes and was preparing to launch Electra’s Go line of electrics.

“We’re still filling in our assortment,” he said.

But Hunter, whose background is in retail brand development working with brands such as Adidas, Target and Merrell footwear, has a very clear brand message throughout his stores, which are well organized, brightly lit and, in one word, “shoppable.” Think Banana Republic or an Apple store, not Joe’s Bike Shop.

“We try to create a universal appeal and accessible store,” Hunter said. “Design has a huge role in retail and we’ve always considered ourselves to be a retail business and not a bike business.”

All of his fixtures and displays are custom manufactured to his specifications. Hunter rarely uses supplier-provided point-of-purchase displays. “We get to have control over the entire customer experience,” Hunter explained.

Bikes are lined along walls on either side of the store while fixtures on wheels showcase all types of accessories, shoes and clothing in the center. There’s brand choice, but it’s a selection that doesn’t overwhelm, with two or three options for each category. Hunter said he keeps little inventory stored and replenishes regularly to react quickly to market needs.

Bikes and apparel are categorized into three segments: active, sport and family.

“Customers shop by mood and motivation, not by the categories we as an industry assign to bikes,” Hunter said. “We have a great history of creating exclusion and confusion using industry terminology and descriptions. The average person just wants to find a bike to ride.”
Fuji introduces the NORCOM STRAIGHT.

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– Bicycling Magazine

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Blue City Cycles

Employees: 5
Sales floor space: 900 square feet
Years in business: 4
Emphasis: Service, used bikes, hybrids
Main brands: GT, Haibike, Yuba
Owners: Clare Knipper, Owen Lloyd

Clare Knipper and Owen Lloyd have decades of bike mechanic ing between them, so it’s not surprising that the shop they opened would focus on service. All five employees work as well as sell. Service pulls in more than 50 percent of their sales.

The shop reaches out to local riders, commuters and family leisure cyclists. It takes used bikes in trade for new purchases, mostly hybrids in the $375 to $600 range. The used bikes are repaired over the winters and are the first “model” the shop sells out of each spring.

“This is a working-class neighborhood and for many people bikes are how they get to work, they don’t own cars,” Lloyd said.

Because of their community’s heavy reliance on bikes as their only vehicle, the shop has been bringing in a few Yuba and Bullet cargo bikes. But cargo bikes’ high cost limits their appeal, though the shop has sold a few to people using them in their businesses, and some of the Yubas have sold to families.

Both owners also have a long history working in bicycle nonprofits around town, and Knipper is looking to keep pushing the shop’s classes on bike repair. She sees it as a way to help grow cycling culture in their South Side Bridgeport neighborhood.

Wheel & Sprocket, Evanston

Employees: 14
Sales floor space: 5,500 square feet (Evanston); six other stores in Wisconsin
Years in business: Less than a year in Evanston
Emphasis: General sales
Main Brands: Trek, Fuji, Electra, BMC, Stromer, EighthInch
Owners: Chris Kegel

Chris Mailing has been managing Wheel & Sprocket’s newest location in Evanston, Illinois, for less than a year, but he brings years of experience to the store — the same store that once housed Turin Bicycles and later Ten 27.

Mailing purchased Ten 27 on Dec. 31 and reopened it as Wheel & Sprocket after it underwent a low-six-figure renovation. It’s Chris Kegel’s seventh store and his first foray across the border from his home base in Wisconsin.

The good news, as late spring weather bathes Evanston with sunshine, is sales are beating forecasts and Mailing predicts a strong year ahead. Mailing estimates the store will generate about $1.75 million in sales — about what that location has done in the past. But it’s too soon to make key comparisons yet, he added.

Still, the store’s location bodes well for the future. The city of Evanston, an affluent Chicago suburb of about 75,000, is also home to Northwestern University. The city has a store in the heart of downtown for 42 years.

Mailing has known Kegel for more than 10 years after meeting him at a retail conference. He and Kegel also are founding members of the National Bicycle Dealers Association’s first Profitably Project, also known as P2.

Mailing said a burgeoning commuter market is pumping new life into sales. To tap that commuter vibe, Mailing also sells Kegel’s in-house brand of singlespeeds — EighthInch. The Evanston store is the only Wheel & Sprocket selling the brand off the floor.

“It’s an inexpensive urban commuter line with custom colors that retails between $300 and $600," he said. "We’re not selling tons of them, but we do charge a bit more than the online price.”

Evanston is also a hub for Chicago’s cycling clubs, which come out on weekends to ride on bikeways along Lake Michigan. "Evanston is a gateway to nice riding and is hugely popular with a great cycling culture.”

Village Cycle Center

Employees: 30-40 full time in peak season; 25 full time during winter
Sales floor space: 4,500 square feet; 30,000 square feet total in three-story building
Years in business: 37 years; under current ownership 23 years
Emphasis: Pave, hybrid, road bikes
Main brands: Trek, Gary Fisher and Masi for bikes; R&A brands include Sidi, Bontrager, Gore Bike Apparel, Bell/Giro helmets
Owner: David Wilson, also president

David Wilson began working at Village Cycle Center as a teenager. Twenty-three years later, when the original owners were looking to retire, he bought the business and has been at its helm since 1990.

“I love the bike industry,” Wilson, 53, states simply. And the other thing he loves is Trek. He’s been an exclusive Trek dealer since 2005, though the store has carried Schwinn and Specialized in the past.

“When I got rid of Specialized [around 2005], I was wondering if that was going to be a problem,” he admitted. But he said Trek’s Gary Fisher collection has filled in many of the holes, and the mono-brand approach has paid off for him. “They cover all the categories. We sell a lot of bicycles for Trek,” he added.

How many? Wilson said it ranges from 9,000 to 15,000 units a year. The number has come down over the past five years as his focus has turned to high-end models. His average bike sale is close to $800.

Though he only sells Trek, he’s not the only Trek dealer in Chicago. The next closest shop is within three miles. But, he said, “customers come to us because we have the bike in stock.” The three-story building can store up to 15,000 bikes when boxes are packed four levels high.

Customers can walk in and out of the store with a shiny new bike in just an hour. "That’s what we do, and an important part of the business,” Wilson said. This is possible because during the winter stuff falls out of boxes and pre-buils them. But with little sales floor space, these are boxed and stored upstairs.

Aside from two floors worth of bikes, Village Cycle Center has an additional 300 on the sales floor. That’s a ton of product, but when you move up to 100 bikes during a very busy day in the summer, that doesn’t seem like much.

Wilson frontloads inventory and orders heavily during preseason, but he says he’s able to capitalize on his relationship with Trek and the line of credit he has with a “friendly bank.”
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CABDA is reborn under new leadership

CHICAGO, IL—A small group of retailers, independent reps, manufacturers, and distributors in Chicago are banding together to get the Chicagoland Area Bicycle Dealers Association (CABDA) back on its feet. They’re calling it CABDA 2.0, and the group’s president, Jim Kersten, said he’s had to convince skeptics that the new CABDA is quite different from the original association, which closed its doors in June 2001.

“We discourage the notion that we’re like CABDA used to be—they had too much money. It went from a dealer association that ran a trade show to a trade show that ran a dealer association,” Kersten recalled.

CABDA began in 1948 mostly as a social club, but later the retail organization launched a successful trade show and consumer show.

Kersten, who helps run Edgebrook Cycle and Sport with his father and mother, said the new group has about 26 retail store members and about a dozen vendor members. The operation is volunteer-run and funded entirely by membership dues—retailers and independent reps pay $75 annually; manufacturers, distributors and sales agencies pay $250.

“The mission is to bring more people to bikes in Chicago and to have a lobby,” said Fritz Bohl, general manager of German lock company Abus, who serves as vice president of CABDA.

Kersten, who also has a law degree, said the association has applied for S01(c) nonprofit status in the state, and the group was incorporated in December. Industry companies and retailers in the Chicago area have gotten together for years, but last fall they formalized it and renamed the association, which before was a chapter of the National Bicycle Dealers Association. They also elected a four-member board.

At meetings last fall and into the slow winter season, the group discussed initiatives including possibly launching a trade or consumer show in January or February of 2014; developing a certification program for mechanics; and other retail benefits like group buying programs. “Our group is still in its infancy. Everything is in a holding pattern, but there’s definitely a lot of interest from retailers,” Kersten said.

CABDA offers a scam alert program, in which all members are notified if someone gets a bad check or falls victim to shoplifting. It’s also working closely with the League of Illinois Bicyclists on local advocacy. — Lynette Carpenter

Cycle Smithy

Employees: 6
Sales floor space: 4,000
Years in business: 40
Emphasis: General service and sales
Main brands: Cannondale, Specialized
Owner: Mark Mattei

Mark Mattei has sold bicycles since 1973, when he first plucked some throwaway bikes out of the garbage and refurbished them for sale from his 600-square-foot shop.

That was then. Today, his 4,000-square-foot store, Cycle Smithy, is amply stocked with the latest from Specialized and Cannondale. Customers will also find select models and frames from Litespeed, Cinelli, KHS, Kestrel and Spot. And Mattei works with Gunnar and Waterford Precision on custom frame orders.

The number of brands he floors also has changed from his earlier days in retail. “Years ago I learned the hard way: that’s when I was repping only a single brand—they ran out of product in mid-spring. I had virtually no product on the floor,” he recalled.

His near brush with financial disaster convinced him to have a minimum of two major brands backing him up, butressed with a few niche models.

But Cycle Smithy is more than just a bike shop. It’s also an opportunity for curious customers to learn a smidgen of cycling history. Mattei is a walking compendium of cycling lore and historic bicycles. He’s attached more than a dozen models horizontally to the upper floor’s ceiling. Each is a part of cycling history whether it’s a 1996 GT time trial and track bike, a unique Japanese commuter built by BridgeStone reflecting the whimsy of an Italian automotive designer, or the circa 1860s Bone Shaker hanging up front.

Mattei steers several of us toward a 1935 Elgin Bluebird. Sears sold it during the Great Depression for about $69 when most bikes sold for around $20. The Elgin symbolized the future as the nation struggled through the 1930s, Mattei explained. (Go to Cycle Smithy’s website—click on Bicycle Museum.)

And there are many others. By Mattei’s calculation he owns some 300 bikes. He frankly admits that his wife, Gretchen, gave him permission to basically stuff the top three floors of their home with memorabilia.

Like other dealers on the tour, he’s pleased to see the growth in Chicago’s cycling culture, particularly the commuter market. And, he adds, he’s happy to see mainstream manufacturers building bikes that adults can ride.

“It’s nice to see them making bikes for the more mature user with flat bars and more upright seating that they can ride while wearing more casual clothes,” he said. BRAIN

Oscar Wastyn Cycles

Employees: 3
Sales floor space: 4,000 square feet
Years in business: 45
Emphasis: Family, service
Main brands: Schwinn, Trek, Fuji
Owners: Oscar Wastyn Jr., Scott Wastyn

Belgian framebuilder Emil Wastyn migrated to Chicago in 1910 and opened a bike shop, and more than 100 years later Wastyn’s grandson Oscar Jr. and great-grandson son Scott continue to keep the family-owned store alive.

Over many of those years the Wastyn family built high-end bikes at the shop for its own Wastyn brand and for another Chicago bike family, the Schwins. Paramounts built by the Wastyns remain in high demand.

Oscar Wastyn still uses the framebuilding skills he learned as a youth from his grandfather, whom he preferred as a teacher. His grandfather took the time to go slowly and explain all the tricks of the trade.

“Most shops don’t know how to straighten a bent fork or frame, but that is something we do. And word gets around. Everything other shops cannot do gets sent to us,” Wastyn said.

The shop also repairs wheels when it can rather than rebuilding them with new spokes and rims. This “sure, we can fix that” attitude has won the shop a loyal service following and is a good part of its revenue.

This same attitude spills over to its parts and accessories sales. They can mount racks, fenders and baskets to most any bike, which means P&A sales make up a big part of the business.

Add the vintage Wastyn bikes hung around the shop and other significant racing bikes on display, as well as the Wastyn’s historical racing and Chicago cycling knowledge, and it’s a shop worth a visit. BRAIN
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No two shops alike in this multifaceted retail market

As I approach my 25th anniversary in the bicycle industry this winter, I've found myself pondering memories of some of my favorite experiences over the years. My recent involvement in Bicycle Retailer's Chicago Dealer Tour surely ranks high among them.

Our group of nearly two-dozen riders was composed of industry friends and colleagues, and we spent three incredible spring days winding through town from bike shop to bike shop. What we discovered was a diverse definition of the term "bike shop." Each store seemingly carves out its own niche when it comes to service, product focus and approach to fit. And each has its own distinct idea of how a store should look, market itself and function from day to day.

The really eye-opening commonality was the passionate people we met everywhere we went in this vibrant community revolving around the bicycle. The sense of purpose among this cross section of independent dealers and advocates was both inspirational and undeniable.

Each on their own regard, they were brimming with a wealth of knowledge and a depth of character and personality. And I was awfully aware in each store of the gravitational pull this industry has on so many of us. Good people doing good work for good reasons.

Chicago has some stunning views: The look over the field from the bleachers at Wrigley; the city lights from nearly a hundred stories high at The Hancock Center; the towering skyline over Lake Michigan—all magnificent sights for sure. But the view of this great city from the perspective of a bicycle is beyond compare.

—Brad Heideman, territory manager, Advanced Sports International

City's ridership grows in tandem with bike lanes

Chicago is a shining example of the change a major city can undertake when cycling becomes a primary focus. A city where riding a bike was once something done only by a few now has cyclists on every street corner thanks to increased funding and improved infrastructure. Green lanes are becoming a common sight on Chicago streets, and with events like Bike the Drive and the Boulevard Lakefront Tour gaining popularity every year, there are no signs of this change slowing down.

With a growing population of cyclists, shops in Chicago have evolved to be a full-service solution. There are still a few shops that remain focused on one specific type of rider, but this is quickly becoming the exception. More and more shops are offering a wide range of bicycles and accessories to fit every type of rider who comes through the door. These shops can take care of anyone, whether they are looking for a high-end mountain bike or something to fix up their aging hybrid. Part of this evolution is reflected in the increased importance of the bicycle care category.

The emphasis shops are placing on bicycle care was encouraging. Before the current cycling boom in Chicago, bicycle care was often an afterthought. With more and more people using their bike to commute, go to the grocery store or simply ride around town, they are becoming more reliant on their bike. To keep their ride in top working order, they are looking for shops that offer high-quality, bicycle-specific lubricants and cleaners. With the growing pride that these cyclists have for their bikes has come an understanding of the benefits of using products designed specifically for bicycles.

The change occurring in Chicago is encouraging for cyclists throughout the U.S. Organizations like Bikes Belong and the Active Transportation Alliance continue to push the importance of cycling in major cities and local governments are starting to respond and react. Streets are now designed with cycling in mind and there is no evidence of this changing. Chicago is quickly becoming an extremely cycling-friendly city.

—Derek Golts, marketing manager and social media director, Finish Line

Chicago streets for daring cyclists, but city is working to make them for everyone

"Sure beats sitting at a desk" was the remark often heard while riding the streets of Chicago dodging potholes that would turbo a 29er, let alone a 700c. Cars were quick, drivers were angry and car doors flung open.

Who would ride in this environment? This was a far cry from riding to Light and Motion in Monterey, California, a small tourist town laid out in a spacious grid and surrounded by some of the best riding in the country, including bike lanes for days.

Riding in Chicago wasn't a sleepy town cruise. It was a battle in one of the grandest American cities. Were there the bike lanes? Where were the friendly waves from cars? Over the course of 93 miles and 14 shop visits, I learned quickly that the people who ride in Chicago are devoted.

There is a defining core of riders that is reflected in the local shops. At Oscar Wastyn Cycles cycling is generations deep with a shop basement that should be opened as a cycling museum. Cicle Urbano helps kids learn the bike trade and provides them real-world work experience. Johnny Sprockets sells mountain bikes in the middle of a city where you can ride 30 miles and climb all of 25 feet. The closest mountain biking is 40 minutes away.

Riding through Chicago we met the core cycling community that is leading the way to more bike lanes and greenways. Finding room in a city like Chicago to install bike lanes is tough, but it's being done as the city looks to support its citizens.

Chicago is looking to cities like Washington, D.C., for examples of how to grow its cycling infrastructure. The vision and dedicated riders are there. If the city continues to deliver safer routes to the public, it has the chance to be mentioned in the same breath as Portland, Washington and San Francisco.

Keep your eye on the Windy City.

—Ryan Whitte, sponsorship and event coordinator, Light and Motion

Diversity and opportunity abound in Chicagoland

Participating in the BRAIN Chicago Dealer Tour, it’s clear that this is a time of opportunity for local retailers and the local cycling community. This opportunity arises from the growth in local cycling infrastructure and the huge diversity of cyclists in the Chicago area.

The dedication by the city of Chicago toward growing its bike infrastructure is huge, with implications that can have widespread impact. Following our meeting at the SRAM headquarters with Gabe Klein, the city’s commissioner of transportation, it’s clear that Chicago is taking cycling seriously and is making the right moves to create infrastructure. Klein’s approach will actually help local retailers as he places equal importance on creating the infrastructure and on filling those new riding areas with cyclists. The growth of cycling as a viable means of transportation in Chicago is resulting in an increased and very diverse ridership.

After more than a dozen shop visits, I applaud the unique ways in which Chicago shop owners focus their energy to serve these different types of riders.

I'm very familiar with that mindset, which mirrors the democratic nature of our brand and variety of riders that Bell serves. At Bell, we appreciate anyone who pushes their pedals on a daily basis; kids, moms or the dedicated enthusiast.

Not only was this an eye-opening trip, but it also provided a great deal of satisfaction to see how Chicago, and its retailers, are growing cycling in one of America’s great cities.

—Azad Couzens, marketing director, Bell Helmets
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Interbike’s Andria Klinger on the Lakefront Trail

BRAIN publisher Marc Sani and Wheel & Sprocket’s Chris Kegel

The Tamale Spaceship catering food truck served up Mexican cuisine at SRAM’s headquarters.

Advanced Sports International’s Frank Zimmer readies the Fuji ‘cross and road bikes we rode for the week.

Rims used for landscaping outside of Blue City Cycles

ASI’s Pat Cunnane and BRAIN editor Lynette Carpenter lead the pack on day three as we rode some of the city’s new green lanes to the South Side.

Coco, The Pony Shop’s friendly Lab, greets customers.

Bell’s Kyle Ellison leads the group on one of several steel bridges that cross the city.
Our group capped off day two of the dealer tour with Chicago deep dish pizza.

Potholes keep riders alert on Chicago streets.

ASI’s Karen Bliss and Pat Cunnane on the way back into downtown Chicago.

Interbike’s Andria Klinger, Dealer Tour organizer Julie Kelly and ASI’s Kaitlyn Phillips model colorful Pony Shop caps.

Chris Zigmont’s flat-changing skills were put to the test.

Brad Heideman, Chicago rep for ASI, tries Roll’s body scanning fit system.

Chicago commissioner of transportation Gabe Klein talked about the city’s bold plan to have more than 600 miles of bikeways by 2020.