



Heard On The Street

Living the dream

Andrew Patton never dreamed that when he applied for a sales job at Salsa, a QBP-owned brand, that he would be on a ferry crossing the Bodensee to Friedrichshafen as the company's new international business development manager. But then how many 42-year-



Andrew Patton (left) and Tim Krueger relax on the ferry back to Friedrichshafen.

old experts on Asia apply for a sales job at Salsa? Patton's overseas career spans time spent with the U.S. Commerce Department in China and management positions with Sun Microsystems in China and Singapore. Top that with a postdoc from Yale and a stint studying in Taiwan and it all makes for a sweet résumé. But back to Salsa. Patton and his wife were visiting Boulder and Patton was looking for a 58-centimeter steel-frame bike to pull a Burley. He found what he was looking for—a Salsa Vaya—but it wasn't the right size. So it's back to Kansas City where he had been helping his brother reorganize the family's Bang & Olufsen franchise. Soon, Patton visits Elite Cycling, a local pro shop, buys the Salsa and learns that there's an opening for a Salsa sales rep. The rest, as they say, is history. For someone who earned his first scar, a slice on the chin, at age 5 while riding a bike, joining QBP is a

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Bicycle Retailer AND INDUSTRY NEWS

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German retailers expect flat year as weather dampens summer sales

The German bike market is expected to see little to no growth this year due mostly to winter-like weather this summer that cast a cloud over specialty shops.

That was the word from the heads of two industry groups speaking Tuesday morning at an opening press conference for Eurobike as the world's largest trade show kicked off its 20th year.

"Retailers experience an exceptionally impressive start to the season with sales figures remaining well over 10 percent above those of the previous season right into June," said Thomas Kunz, CEO of the Association for German Two-Wheel Business, one of five panelists addressing the state of the industry to a room full of journalists scribbling notes.

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Siegfried Neuberger, CEO of Zweirad Industrie Verband, talks about the health of the German bike industry at Eurobike's Tuesday morning press conference.

Final prep in place for show's 20th opening

Exhibitors put the finishing touches on their booths Tuesday night in preparation for the onslaught of dealers, distributors and press arriving this morning at Eurobike.

Workers were still hang-

ing signs, hammering together displays and placing product inside elaborate booths organized across 14 massive trade show halls the evening before the show's start. In its 20th year, Eurobike hosts 1,180 exhibi-

tors from 45 countries set up in 110,000 square meters of space at Messe Friedrichshafen in Southern Germany. Organizers expect more than 41,000 trade visitors, 20,000 consumers and 1,732 journalists over the three-day show.

Of the consumers, 65 percent travel from more than 100 kilometers away to attend the show and 23 percent travel a distance of more than 300 kilometers,

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dream come true. Eurobike is Patton's first trade show in the bike biz, and as he says, "I think I've found the perfect job."

Le franc fort

We all know that Switzerland is akin to an armed fortress with its citizen army ready to blow tunnels at the first sign of an invasion. But the latest invasion—a horde of U.S. dollars and European euros—has Swiss dealers fighting mad, but they have no ammo. As investors look for a safe place to stash cash thanks to America's dysfunctional Congress and European bankers loaded with debt from Portugal, Italy, Ireland, Greece and Spain (nicknamed PIIGS), the Swiss franc is now worth a small army and Swiss consumers know how to march—right across the border to Germany or France, said Urs Rosenbaum, editor-in-chief of Cycl-Info, a Swiss trade magazine. Swiss dealers tell Rosenbaum that their customers are marching to France to buy wine and into Germany to buy bikes, parts and accessories at up to a 50 percent discount thanks to the power of the franc.

Hounding the hounds

Eurobike is a mecca for journalists of all types and from countries around the world—more than 1,000 (including three from BRAIN) have applied for credentials



Is this photog enjoying his work perhaps a little too much?

to attend today's opening of Eurobike's 20th year. That's got to be some sort of industry record. As a result, editors and photographers are as thick as fleas on a hound dog. And when it comes to attractive young models posing with bikes, it tends to bring out the "hound" in some of them. We need say no more. This photo says it all.

—Marc Sani

Crowds descend on Demo Day



Some 100 brands took part in this year's Demo Day under sunny summer skies.

The weather couldn't be better at this year's Demo Day—something the 100 or so brands that exhibited were thankful for. Sunny temps contributed to high foot traffic and a healthy stream of testers.

"It's fantastic, especially since we didn't have a good summer. We had rainy weather from June through now," said Mark Stuiver, international marketing and PR manager for Abus.

In its fifth year, the demo took place in Ratzenried, Argenbühl, in the foothills of the Alps in the Allgäu region, about a 35-minute drive from the main fairgrounds, where retailers and journalists had the opportunity to test bikes on marked trails and roads.

First-time exhibitor American Classic teamed with Niner Bikes to give attendees an opportunity to test its new wheels on the big-wheel company's bikes. American Classic, which turns 30 this year, offered its new MTB Race tubeless 29er wheel for demo, one of several new introductions.

"The demo gives people a chance to experience the wheel themselves," said Bill Shook, American Classic's founder and engineer. "Reporters come back and say this is the best yet."

Shook said Europeans have stuck to tradition and been slow to pick up on the big-wheel trend, but 29ers now have become the preferred wheel size for racing. The new wheel is the third tubeless-ready 29er in American Classic's product range.

Many exhibitors said steady foot traffic

kept booth staff busy and product out on the trails and roads.

"We've been slammed," said Zipp's Andy Paskins. Zipp was at demo day showing its new line of 303 Firecrest tubular and carbon clincher wheels for the first time. The brand had eight demo bikes equipped with the wheels on hand for demo attendees.

All of NuVinci's eight demo bikes equipped with Harmony, its new automatic shifting system for e-bikes, were also out for most of the day, said Al Nordin, president of the bicycle products division for Fallbrook Technologies, owner of the NuVinci brand.

"We're having a great demo," Nordin said, adding that it was much better than last year's demo, which was hampered by rain.

Abus' Stuiver said he particularly likes the demo's relaxed atmosphere.

"We've met with a lot of Germany dealers here, but visitors are quite international," he said. "We love to be here to share this day with our customers. We have a close relationship with our dealers since here in Germany we have about 70 percent of the market share in locks."

Abus, which markets and sells its locks in the U.S., had its helmet line on display, and some retailers took them out on rides, Stuiver said.

In addition to helmets, Abus will be showing its full line of bicycle locks at the indoor show, which starts today.

—Lynette Carpiet

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Removable Rear Rack, Front and Rear Fenders
Shown with Avenir City Sport Water-Proof Pannier and Saddle Bags



SHIMANO
ALFINE

German retailers

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“But the rainy and cold weather of June, July and August subsequently resulted in a harsh sales slump that largely erased early season gains. The month of July was particularly disappointing.”

Sales of conventional bicycles have declined by roughly 10 percent, with accessories, clothing and repair about 5 percent off last year's numbers. In 2010, Germany's specialty retailers reported sales of 3.2 billion euros, with sales of bicycles accounting for 53 percent and accessories and service making up the remainder.

But, it's not all doom and gloom. One segment consumers aren't shying from is e-bikes, which retailers have continued to sell well despite poor weather. That's also helping to boost the average selling price due to higher-cost products. Bicycle prices rose from an average of 446 euros in 2009 to 460 euros last year.

E-Bikes sales are expected to grow to 300,000 units this year in Germany alone—Europe's largest bike market—and 900,000 in all of Europe, according to Siegfried Neuberger, CEO of the Zweirad Industrie Verband (ZIV) German two-wheeler industry association.

“In the view of the ZIV, pedelecs' market share will continue to increase in the next few years,” Neuberger said. “All in all, ZIV experts believe that pedelecs, over the midterm, reach a market share of 10 to 15 percent of the entire bicycle market.” E-bikes currently represent about 5 percent of the German market.

Unfortunately, Neuberger noted, strong sales of e-bikes have not yet contributed to growth in the bike market as a whole. “Apparently consumers are deciding to purchase an e-bike rather than a city or trekking bike,” he added.

German bicycle production increased nominally in the first half of this year with 1.73 million bicycles manufactured domestically, a rise of 3 percent. Imports rose by 4 percent at 1.83 million units; however, the average value rose by about 10 percent, and 48 percent in the last three years. Thailand surpassed Taiwan for the first time as top

“The rainy and cold weather of June, July and August subsequently resulted in a harsh sales slump that largely erased early season gains. The month of July was particularly disappointing.”

— **Thomas Kunz**,
CEO of the Association for
German Two-Wheel Business

import market with 11 percent of the share. Its primary manufacturers are Strongman and Bangkok Cycles, Neuberger said. Germany exported 660,000 units in the first half of the year, a jump of 10 percent from last year, 90 percent of which went to other EU countries with the Netherlands, Austria and France at the top of the list.

— *Nicole Formosa*



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Show opening

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Klaus Wellmann, CEO of Messe Friedrichshafen, said during a press conference Tuesday morning.

"This shows how attractive the topic of cycling is, and it shows the expertise of the end consumer," he said. Wellmann expects Eurobike to continue its reputation as a trend-setting show, with exhibitors showing 300 novelties in the cycling, P&A, equipment, machines, tools and workshop and retail equipment sectors.

Twenty-niners will be big as the big-wheel bike craze hits the continent. Canadian supplier Norco brought its new 100-millimeter Revolver to Demo Day on Tuesday to build buzz in Europe about its line of 29ers.

"They've been out a lot. We could've used more 29ers even though they say the industry hasn't been as quick to endorse them over here," said Skip Swain, Norco's vice president of sales. BMC also had on hand its hardtail and full-suspension aluminum 29ers. European brands that have previously kept 29ers out of their lineups will also show their developments in the category at this year's Eurobike.

Electric bike technology is sure to be showcased significantly as companies respond to the soaring demand for battery-powered bikes. Bosch, for example, will reveal its new 45 kph system and automaker Daimler will launch a new line of electric bikes under its Smart brand.

Regular show features such as the fash-

ion show, Eurobike Awards, Travel Talk, Holiday on Bike, Lake Jump and E-bike Test Track all return this year. The show runs 8:30 a.m. to 6:30 p.m. through Friday and 9 a.m. to 6 p.m. on Saturday's consumer day.

— Nicole Formosa

ZEG buying group joins ETRA

Germany's ZEG group of retailers on Tuesday became the first European buyer's group to become a member of ETRA, the European trade association for electric bike dealers.

ZEG is Europe's largest buying cooperation, with 1,000 retailers in the EU. Last year, the group sold about 1 million bikes, accounting for almost 400 million euros in revenue.

ZEG joins companies like Accell, Bohle, Dahon, Giant, Shimano and SRAM that have supported the association for many years. Members gain benefits in ETRA's lobby work for rules

and regulations governing bicycles and electric bicycles, special participation in ETRA events and advertising on ETRA's website.

This year, Specialized also joined the association, as did Simple, ETRA's first Taiwanese member, and Höganäs, its first Swedish member. Maxcom, a Bulgarian bicycle manufacturer that produces its own Sprint brand as well as private-label bikes, is the first associated member from a new EU member state. ETRA has 25 associated members in six EU states, Canada, New Zealand, Switzerland, Taiwan and the U.S.

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Exhibitors worked all day and into the night Tuesday building their booths for the show, which opens today. Some 1,180 exhibitors from 45 countries will fill up 14 halls and take up more than 100,000 square meters.



Dancers practice their moves for the fashion show during setup in the East Foyer.





VSF served up fresh espresso for demo attendees at its booth.



Two youngsters entertain themselves with a game of foosball at the Continental booth.



In addition to nearby trails and roads, riders could take bikes for a spin on a wooden test track next to the demo expo area.



Staff from the Argenbühl tourist office flank the Cheese Queen and Miss Oberschwaben 2010, who were at the demo to liven up the festivities.



Racing legend Sean Kelly is flanked by mountain bike pioneer Joe Breeze (left) and Fuji's Steve Fairchild. Kelly was at Demo Day as part of his role as brand ambassador for the newly relaunched Vitus brand, which is owned by Chain Reaction Cycles.



Zipp's Andy Paskins shows the new aerodynamic 303 Firecrest wheels. The wheels debuted at Demo Day in tubular and carbon clincher versions. Retail is \$2,300 for tubular and \$2,700 for clinchers.