Editorial

Studies Show Opportunity within Diverging Participation Figures

When it comes to data, it makes sense to pay careful attention to the methodology. Two associations recently released cycling participation figures.

The Outdoor Industry Association concluded that the population of cyclists in the United States is 60 million. Meanwhile, the National Sporting Goods Association determined that 35.6 million people are cyclists.

How did these two numbers diverge so drastically? The methodology was different.

The OIA considers anyone who got on a bike once annually to be a cyclist. Most of us wouldn't include these folks among our primary consumer audience. These are people that might have a bike in the garage, but probably aren't visiting retail shops regularly to stock up on tubes, tires and lube.

On the other hand, the NSGA only considers people who rode a bike six times in a year to be cyclists. This is a better representation of our core customer base, which is riding enough to actually spend money on bike-related goods and services.

Both figures are useful depending upon your purpose.

The OIA study shows the total potential cycling base. It includes people who only rode a bike a handful of times last year, but who might ride more given the proper infrastructure or incentives. This is a compelling number when speaking with state representatives about bike-friendly bills or city council members about bike trails.

The NSGA figure more closely reflects the population of actual bike retail customers. This is a realistic figure for the industry to use when analyzing or projecting sales.

Perhaps the most constructive number, however, is 24.4 million—the difference between the two projections. This shows a consumer group with the potential to turn the occasional summer spin into a regular outing. The more encouragement we can provide this audience in the form of products, places to ride and reasons to ride, the more we stand to merge the gap between two divergent figures.

Guest Editorial

Nike Cycling Versus The Bike Business: David 4, Goliath 0

Let me be among the first to congratulate Trek on their timely decision to part ways with Nike. Whether the boys from Waterloo fell, jumped, or were pushed from their contract isn't really the point. What's far more important is that the decision is a good one for Trek, for Nike, and for the cycling industry.

Of course Nike doesn't need Trek. Nike needs—or needed—Lance Armstrong, a great champion with a story so compelling that even if the Swooshsters had to build, buy, or rent a product line in order to have something salable with Mr. Armstrong's name attached to it, it was worth doing. For a few years, anyway. Besides if there's even an entry in Nike's $16 billion budget for cycling, it's probably a sub-sub entry in a Sports Marketing line-item titled "Lance" and labeled "Overhead."

To Nike, the fact that Lance happens to be the greatest bicycle racer of his own, or arguably any other generation, was a fluke at best, a minor bit of irony at worst. Lest we forget, Nike had already taken a run at the bike business three times since the late '80s, swaggering into town on each occasion like our own worst nightmare. Each time they found themselves on the receiving end of savage and humiliating public beatdowns at the hands of smaller, quicker, more industry-savvy competitors. Competitors who actually knew something about the sport of cycling and were in the business of designing real cycling products for real cyclists.

Second, Trek doesn't need Nike. Sure the multi-million dollar TV ads didn't hurt, but they also obscured a pivotal and—for the perpetually inadequacy-delusioned denizens of the bike business, anyway—subtle point: people who think Nikes will make them look like a certain Tour de France champion don't buy many pairs of high-end cycling shoes from specialty retailers. Or bikes, for that matter.

And the people who do buy those hundred-dollar-and-up cycling shoes (and the apparel to match) don't much care whether the Nike brand is on them. In fact, they'd rather have a brand whose value isn't diluted by its stranglehold on every other sport from network-fueled extravaganzas like baseball and basketball to competitive cheerleading and intramural nose-picking. People who care enough to buy a $100 pair of cycling shoes want a brand that's first and foremost about the sport they love. A brand like Trek, for instance.

Which brings me to the third and most interesting point. After a few years spent learning the shoe and apparel businesses from their ex-partners in Beaverton, I'm betting that Trek can make better cycling products than Nike ever could. Of course those other brands I mentioned earlier have spent the past few years doing exactly that—it's not like Trek's getting a free ride here. And with the notable exception of Bontrager tires, Trek has never been particularly successful with softgoods.

But the point is, if cycling brands can hold their own against a corporate behemoth like Nike, even when it has access to the massive Trek distribution footprint and salesforce, then maybe we're a lot smarter in the bike business than we think we are. And when it comes to selling cycling shoes and apparel (or any other product), relatively small brands who really understand what their customers want will beat the corporate behemoths every time. In this case, four times out of four.

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SHOP TALK

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