

CAROLINAS DEALER TOUR

Competition, cooperation in the South

By Toby Hill and Val Vanderpool

CHARLOTTE, N.C. — Charlotte is no longer the cycling desert Dread Fiyah first saw when he moved here in 1999.

“It’s expanded huge with commuters, people actually riding their bikes to work and to different points in the city. When I first moved to Charlotte, it was like a ghost town. You’d see nobody on bikes, nobody out around town on foot. Nowadays you can’t turn your head without seeing somebody commuting to work or riding through the parks or taking advantage of the greenways,” he said.

“The cycling infrastructure in Charlotte has expanded a hundredfold since ’99. We didn’t have any greenways and very few bike lanes on the roads. Now all that’s changed,” added Fiyah, service manager at combination bike shop/bar The Spoke Easy.

At nearly 820,000 residents, according to U.S. Census Bureau data for 2015, Charlotte is North Carolina’s most populous city and was one of the 20 fastest-growing U.S. metropolitan areas last year. By comparison, North Carolina’s second-most-populous city, Raleigh, has just over 450,000 residents. The Charlotte metro area, including the cities of Concord and Gastonia, saw the influx of more than 47,000 new residents, an increase of 2.1 percent, from July 1, 2014, to July 1, 2015. Since 2010, the metro area population has grown 9.4 percent.

As we rode around Charlotte for two days, the growth was readily apparent. Numerous construction cranes jutted into the skyline of Uptown Charlotte, the city’s core and a major financial and banking center, and retailers we visited spoke of increased competition as more shops open to serve the area’s swelling

Charlotte Cycles opened last year with a strong focus on e-bikes.

To view a video of the Carolinas Dealer Tour, visit *Bicycle Retailer’s* YouTube page: www.youtube.com/user/bicycleretailer

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Hawley-Lambert touts its full North American coverage

By Matt Wiebe

LEXINGTON, S.C. — Canadian and U.S. product managers at Hawley-Lambert are getting crash courses in the bike culture of each other's market as the combined company aims to be a one-stop distributor for brands reaching out to riders throughout North America.

"If a brand wants North American coverage we are the only distributor that can offer that," said Sylvain Caya, Hawley-Lambert's president.

"And now our product and marketing teams handle both countries, whereas before we had one brand manager in Canada and another brand manager in the U.S.," he added.

Caya notes that over the past five years omnichannel retail has taken over greatly, complicating a brand's ability to reach all those markets and putting pressure on distributors.

"It is much easier for brands to deal with fewer intermediaries to better control their channels including MAP pricing and gray market. Our role as a distributor is to be the extension of the brand to cover all their needs such as sales, B2B marketing, B2B website, next-day delivery, supporting inventory in multiple DCs, warranty centers," he said. And he noted not many brands can afford 70 reps and four distribution centers in two countries.

Distributors aligning with exclusive brands is fairly common in Canada and the EU, and in other industries in

the U.S. like motorcycles. With the recent growth in distribution centers by QBP and Hawley-Lambert, Caya thinks this strategy for greater national coverage will continue.

Hawley-Lambert's house brands — EVO bikes and P&A and Eclipse P&A — are evolving as the company changes. And its two-nation footprint means the company manages two MAPs for each product.

"EVO are our bread-and-butter products at entry-level pricing. On EVO bikes we make it easy: There is no flooring program or minimum purchase. The bikes really are just a line item in a parts order," said Pat McGinnis, Hawley-Lambert's new vice president of commercial business.

McGinnis said EVO bikes are priced to fit the gap between the high end of the mass market, around \$200, and the traditional \$450 entry level of IBD pricing. EVO balance bikes start at \$100, and the popular 24-inch boys' and girls' cruisers are \$240. EVO's big sellers are the River Ridge and Sport hybrids — priced at \$400 to \$470, depending on spec.

"We've had BionX-powered e-bikes in the EVO line that have sold very well in Quebec City where Lambert is located. Quebec's bike market is very European and e-bikes have sold well there for a while. Things are slower in the U.S.," he added.

EVO has added two new Shimano STEPS-powered bikes. The MD-2 has a step-through frame, and the MD-1



Canadian distributor Cycles Lambert, based in Levis, Quebec, and Lexington, South Carolina-based distributor Hawley combined their leaderships last year.

is a sloping-toptube hybrid. Both bikes sell for \$2,899.

Eclipse targets the value-oriented enthusiast, and new Eclipse carbon wheels like the DB743 and S9 Aero show where the brand is heading. The DB743 is a \$1,090 27.5-plus wheelset with a 43-millimeter bead to bead dimension. S9 Aero is a \$1,340 wheelset weighing 1,550 grams a set.

Hawley-Lambert recently hired Jason Grantz, formerly of QBP, as consumer brand manager to go through both lines to refocus them. And much of his work is going to be increasing the value of bikes the company offers below traditional IBD price points. **BRAIN**

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Competition, cooperation in the South

population.

"There are a lot of shops here, but the cycling community and the shop community are very tight. We work together. When we can't help someone, we send them to a shop that can. And they reciprocate," said Tim Anderson, service manager at Uptown Cycles, which opened in 2008.

In the midst of all that competition, the Dealer Tour saw a huge range of differentiation in how these retailers have positioned their businesses to serve their specific niches.

Uptown Cycles, for example, is a full-line shop but has set itself apart with a busy trainer class schedule on its eight CompuTrainer stations. In Charlotte's coldest season, as many as 20 classes a week pass through the shop, representing a significant portion of owner Chris Sheehan's revenue.

"I don't think any other shop in this market is doing that," said Sheehan, a former professional road racer.

Espada Bicycles owner Steve Maleski had been a stocking Redline dealer for mountain, commuter and fixed-gear bikes in his original Charlotte location before a rent increase forced him to move to a smaller space two years ago. Service is the dominant part of his business, but now he also focuses on "niche-y" steel bike builds and building custom wheels — "anywhere from a couple hundred dollars to a couple thousand," Maleski said.

Back at The Spoke Easy, service manager Fiyah and the shop's owners — a pair of bike fans who also run their ar-

chitectural design firm out of the same space — have positioned their lifestyle/urban shop and beer bar as a community gathering place and hub for local events.

"Most shops are heavily geared toward new bike sales and more mountain or road biking, where we dedicate ourselves more to the community," Fiyah said. "We try to make it a center point for Elizabeth and Plaza Midwood [neighborhoods] — a place for people to come hang out, get their bike fixed, meet new friends. We're more attuned to the commuter and cycling as a lifestyle, as opposed to a sport."

Igniting e-bike sales

When it comes to dominating a niche, no shop visited on the Carolinas Dealer Tour may have done it more authoritatively — and quickly — than Charlotte Cycles. Open a little more than a year, the retailer has singlehandedly captured Charlotte's e-bike market — everything from retrofits to Pedego step-through bikes and electrified cargo bikes and recumbent trikes.

"The e-bike market is something we grabbed from the beginning and it's picking up pretty good. It's something the other shops aren't doing yet. We're staying ahead of the competition in the e-bike market," said co-owner Francisco Montero.

Outside of Charlotte Cycles, e-bikes were a rare sight at shops in both Charlotte and Columbia, South Carolina.

Center Cycling in Columbia brought in some Specialized Turbo commuter e-bikes when they were first released a

couple years ago. But the shop hasn't had luck moving them, even at a discount.

"I think the price is still just too high, and I've had to pay for that with some discounting," manager Rebecca Everling said. "But they are great for conversation, and I loan them out so people can really experience them. I think it's going to be a huge market."

Outspokin' Bicycles co-owner Brian Curran also believes e-bikes are primed to catch on in Columbia, especially among baby boomers. But he has yet to make the investment in the segment as his business recovers from flooding that damaged his two stores in October 2015, and from a broader industry slowdown that has hurt his bottom line.

"Unfortunately, since things have been tight I haven't been able to rationalize putting \$12,000 or \$15,000 into Trek's electric bike program," he said.

Infrastructure challenges

Up until 2001, there wasn't a single bike lane in Charlotte. Today, there are about 180 miles of bike lanes and greenways, including a 4-mile rail trail, which is currently expanding as the Lynx Blue Line light rail extends east.

But even as infrastructure is added, the problem cyclists face is connectivity.

"We have a lot of land area, about 300 miles, so it's a big issue," said Ben Miller, bicycle program coordinator for the Charlotte Department of Transportation.

The city's approach to infrastructure has been to add lanes when resurfacing or changing a road, which has resulted in a fragmented network.

"The low-hanging fruit was done first, in places where it wouldn't inhibit traffic flow," said Shannon Binns, executive director of Sustain Charlotte, an advocacy group for cycling as transportation. "They haven't done the tough tradeoffs, like converting [traffic] lanes into bike lanes and road diets."

The biggest challenge Columbia, South Carolina, faces is that its streets are a patchwork of city- and state-owned roads.

In its master plan, the city, which currently has about 60 miles of bike facilities, is calling to expand bike lanes. But the South Carolina Department of Transportation can be slow to act because the state has to approve any project on state-owned streets — even if the funding is already there.

"The good ol' boys network controls all the highway dollars that come into the state. We need someone in the upper echelons who is a cyclist and will make it a priority," said Outspokin' Bicycles' Curran. "North Carolina has eight to 10 bicycle and pedestrian coordinators. South Carolina has one. In Columbia, the state controls 90 percent of the pavement."

Despite infrastructure issues, Curran said Columbia still has a vibrant cycling community. And, having Fort Jackson, a U.S. Army training facility, nearby allows cyclists to escape busy city streets.

"But the problem is every two years the command structure changes and the rules are always changing," Curran said. "That's something I'm involved with and I try to build relationships out there. If we lost access to Fort Jackson, it would kill my business. I go out there on a Saturday and I see eight, 10 people I've sold bikes to. It's a huge part of our business." **BRAIN**

Uptown Cycles

Employees: 3

Store size: 2,800 square feet

Sales emphasis: Road and triathlon

Years in business: 8

Main brands: Specialized, Cannondale, GT, Orbea, Bianchi, Electra

Owner: Chris Sheehan

When Chris Sheehan opened Uptown Cycles in fall 2008, he had no way of knowing his timing was bad. A week later, the real estate bubble burst, sending U.S. and global markets into a tailspin and setting off what is regarded as the worst economic disaster since the Great Depression.

“We opened right before the big financial crash, probably the worst time to open a small business. And Charlotte is a big financial center, so we were hit pretty hard,” said Sheehan, a former pro road racer who left his job at DeFeet Socks to open Uptown Cycles. “It wasn’t easy the first couple of years, but with a lot of hard work we made it through.”

But Uptown also survived by being nimble and adapting to the needs of the neighborhood. Sheehan is the first to admit his passion is road, but he has added more mountain and urban models over the years to serve an evolving customer base, and the shop has sold more endurance road models in recent years.

Sheehan has also built a thriving cycle training business with eight CompuTrainer stations and as many as 20 classes per week during colder months. In addition, Sheehan added a dedicated Retül fit studio about four years ago, which is also a draw.

“We do a lot of fitting for road riders and triath-



Uptown Cycles is located in the northwestern corner of Uptown Charlotte, an area that is attracting young families. The neighborhood's changing demographic and infrastructure improvements have helped draw new customers into the shop.

letes,” Sheehan said. “But the CompuTrainer studio brings in a lot of people — we’re the only shop doing it in Charlotte. It keeps people in the shop. They leave their bike for a tune-up, decide to get a fit done and will shop while they’re here.”

Uptown Cycles is located in the northwest corner of Uptown Charlotte, a neighborhood that is growing quickly with new families moving in and houses being built. That, along with a developing greenway and bike path network, has attracted a different customer to the store.

“We’re starting to see a consumer coming in that’s less focused on racing and more focused on having fun with friends,” said Tim Johnson, the shop’s service



The shop offers CompuTrainer classes and has a Retül fit studio to bring customers into the store year-round.

manager. “People are wanting more differentiation between them and their buddies, and they’re also looking for more adventure.”

With that shift, Johnson said customers are also more likely to hang on to their bikes for longer. This has played a role in bumping up service and repair, which now accounts for about 50 percent of Uptown’s business.

“People are more likely to want to grow with their machines and we want to do that too,” Johnson said. “It’s a bit of a paradigm shift. Our mountain and road backgrounds have helped us adapt as industry trends change, and have helped us see what people are looking for.” **BRAIN**

NC Velo

Employees: 7

Store size: 3,800 square feet

Sales emphasis: Full line

Years in business: 6 months

Main brands: Specialized, BMC, Seven

Owners: Kyle and Jay Wyatt

Brothers Kyle and Jay Wyatt opened NC Velo in July to serve a growing population of cyclists in South Charlotte’s Ballantyne neighborhood.

Being on the fringes of Charlotte, the area is close to mountain biking trail networks in local parks and makes for easy access to rural roads — something the Wyatt brothers said will help bring more people into the shop as the cycling community grows. And before NC Velo opened, there was only one shop serving the neighborhood, the Trek Bicycle Store of Charlotte South, located about two miles away.

“We’re in the skirt of Charlotte, and it’s a prime development location right now,” Kyle Wyatt said. “It’s also a fairly affluent neighborhood with access to some of the best country roads. You hear bad stories about the cars, but you see more cows and horses on rides than cars. We want to make an impact here because it’s a lifestyle we want to promote.”

The brothers, who grew up in Illinois, attended college in Chapel Hill, North Carolina, and after spending a few years away, they both wanted to return to the area. Jay previously managed bike shops in Chicago, while Kyle, who is also a triathlete, pursued a financial career.

Knowing they had complementary skills and experi-



Brothers Jay (left) and Kyle Wyatt opened NC Velo in July. Jay’s dog Winston, a 7-month old golden retriever, has the important job of warmly welcoming customers when they visit the store.

ence, the two moved to Charlotte to open their own store.

“They won’t let me get anywhere near the bikes in the service department, and rightly so,” said Kyle, who handles much of the backend of the business. “But that’s OK because the heartbeat of our shop is our service manager, Mirza [Pipic], who has a good following here in Charlotte. And my brother can do just about anything in the shop, so we are a good team.”

When the Wyatts first opened, they expected that the majority of NC Velo’s market would be road and triathlon, but Jay said more people are coming into the store interested in mountain biking.

“I think people are interested in getting out on the trails because they’re scared of cars. And we do have great



The shop is located in a retail center in the rapidly growing Ballantyne neighborhood of South Charlotte. It is one of two shops in the area.

access to trails here.” he said. “But we’ve kept ourselves flexible and also trying to capture families and racers too with high-end service.”

To better serve Charlotte’s sizable population of triathletes, NC Velo also works with a local triathlon coach to host adult and youth clinics in the shop. The brothers plan to offer CompuTrainer sessions in the winter months when outdoor training slows down.

“We’re already starting to see traffic slow a little, so we’ll start looking for other ways to bring people in,” Kyle said. “We won’t go the full coaching route, but we’ll grow into it with a modular CompuTrainer setup. We want to provide a great space and make everything as personal as possible.” **BRAIN**

CAROLINAS DEALER TOUR

Charlotte Cycles

Employees: 2 full-time, 2 part-time
Store size: 1,500 square feet
Sales emphasis: E-bikes
Years in business: 1 (opened September 2015)
Main brands: Felt, Jamis, Pedego, Easy Motion, Benno, TerraTrike, Catrike, Yuba
Owners: Brian Doolittle, Francisco Montero

It's hard to overlook three goats chomping away to control weeds in the vacant lot adjacent to Charlotte Cycles, but it gives a walk-in customer a heads-up that the shop is a little different from a typical bike shop.

Charlotte Cycles floors a product mix of mostly e-bikes, with a few Felt and Jamis bikes scattered in for good measure. And it's not just commuter-friendly e-bikes; there are also two brands of recumbent trikes the shop electrifies, as well as e-cargo bikes.

And the shop's location next to a neck and spinal surgery center and a number of specialized care facilities means owners Brian Doolittle and Francisco Montero are familiar negotiating with medical insurance companies to help customers incorporate e-bikes into their recovery programs. It also helps that many neighboring physicians are avid cyclists.

Montero and Doolittle are mechanical engineers by training, but they share a dream of getting unlikely cyclists on bikes.

"Because of our location with so many clinics around, we see a lot of injured riders who are recovering from car accidents, knee injuries or strokes," Montero said.

"Our electric trikes can allow a recovering stroke rider to still make epic mountain bike rides. Electric assist allows these patients, many former cyclists, to get out there and ride again," he added.

Sales are equally split between bikes and e-bikes,



Charlotte Cycles is housed in a 100-year-old building that was originally a general store.



The store's sales are split evenly between traditional bikes and e-bikes, but the owners expect e-bike sales to become the dominant part of their business.



Co-owners Francisco Montero (left) and Brian Doolittle worked together at Trek Bicycle Store Charlotte South before opening Charlotte Cycles last year.

though the owners expect e-bike sales will quickly grow to dominate their business.

"Charlotte's e-bike market is a few years behind California, so retrofits are still a big part of what we do. But as our customers return for a new bike, many of them are stepping up to mid-drive designs from Pedego or Easy Motion," Montero said.

While many in the industry market e-bikes to an older crowd, the shop's customers start at 20-something. Many younger customers buy cruiser-style e-bikes to tool around town as car replacements. A few have returned to buy a bike more specific to their needs — a commuter bike, for example — as their cycling needs mature. And the shop's physically recovering customers represent all ages.

As one of the few shops in town fully supporting e-bikes, from DIY retrofits to the latest mid-drive motor, Charlotte Cycles draws customers from across the city as well as neighboring counties, most finding the shop from its website.

The shop also owns the land the goats have been clearing, and Montero and Doolittle are beginning to plan how they will use the property. However, if the goats go they will lose their walk-up grade-school traffic as neighborhood kids supplement the goats' diet with their leftover lunch items. **BRAIN**

Espada Bicycles

Employees: 1
Store size: 650 square feet
Sales emphasis: Service, custom bike and wheel builds, refurbished bikes
Years in business: 6 (2 in current location)
Main brands: Colossi (Espada-branded custom frames), Soma, Advocate Cycles, Surly, Niner, Vassago
Owner: Steve Maleski

"Espada" means "sword" in Spanish, but you might have a difficult time swinging one inside the cozy confines of Espada Bicycles.

"It's not gigantic, but it's more than enough to build bikes, do custom stuff and any repairs that I need to do," owner Steve Maleski said of his 650-square-foot shop.

It's the second location for Maleski, who opened Espada six years ago in a much larger space on a busy boulevard in Charlotte's NoDa (North Davidson) neighborhood. But when his landlord raised rent by a third there, Maleski sought out his current location on the bottom floor of a mixed-use business/residential building in NoDa, Charlotte's historic entertainment and arts district.

"I picked this area because it's one of the highest usage areas for bicycles as far as people commuting and riding through the neighborhood. I started with a small local following and it has built out from there," he said.

Maleski is a one-man operation, and he's open 11 a.m. to 8 p.m. Tuesday through Saturday to serve customers after traditional daytime work hours. Also, "I hate mornings," he added. (Maleski graciously opened early on a Tuesday to meet with the BRAIN Dealer Tour.)

Service represents the bulk of business at Espada, and early this year Maleski raised his hourly rate by 20 percent after realizing he had been undercharging. For bike builds, steel is his preferred material. "I'm that guy. Everybody likes carbon, aluminum and other sort of wonder bikes, but I like steel," he said.

Maleski brings in shop-branded custom steel frames from Colossi, a small handmade builder founded by Dutch former professional cyclist Jan Kole that now has a workshop in Shenzhen, China. The fillet-brazed frames



Owner Steve Maleski is a one-man operation at his 650-square-foot shop.



Espada Bicycles moved two years ago to a mixed-use business/residential building in Charlotte's NoDa (North Davidson) neighborhood, an area that sees substantial cycling traffic.

Service and steel bike builds are Espada's bread and butter.

get Espada graphics on the downtube but retain the Colossi headtube badge. Maleski sells them for \$1,200.

He also orders frames from Advocate Cycles, Soma, Surly and other brands. "Just little niche-y things," said Maleski, adding that he sells maybe three bikes in a good month.

"It's not really the driving force of the business like service is. It's just putting some icing on the cake. The cake's still there, but the icing makes it taste a little better," he said. **BRAIN**

Outspokin' Bicycles

Employees: 8 full-time, 2 part-time (across two locations)

Store size: 6,700 square feet (Columbia location); 4,700 square feet (Irmo location)

Sales emphasis: Full-service family shop with fit studio

Years in business: 33 (Brian Curran acquired in 1997;

Krystal McManus became co-owner in 2014)

Main brands: Trek, Sunday, Tribe

Owners: Brian Curran, Krystal McManus

Brian Curran has carried a host of brands in the almost 20 years that he has operated Outspokin' Bicycles in Columbia, South Carolina: Cannondale, Jamis, Specialized, Trek, Giant, Schwinn and Kona, to name a few.



Brian Curran, who had previously worked as a salesperson at Outspokin', acquired the business in 1997.

"That was more doable when Trek and Specialized had 60 models, but now that they have 160 models ...," he said.

Five years ago, the choice came down to going all-in with either Morgan

Hill or Waterloo.

"That was one of the bigger business decisions I've had to make, was to put all my eggs in Trek's basket. And they've done a great job helping me. I've always known the bike side of it, and I have a degree in finance, but I didn't run a very good business," said Curran, who brought aboard manager Krystal McManus as co-owner in 2014.

"And it's just really been the past three years that we've started to run a better business. It's one of the paradoxes of the bike industry that we're here because we didn't like the corporate world ... and for us to continue to grow, we are going to need to become more corporate," he added.

Outspokin' has had its setbacks, however. A historic flood in October 2015 inundated both the Columbia store and newer Irmo location, which had opened only two days earlier. All the money the owners spent on marketing the new location washed away with the floodwaters as the community focused on recovery efforts.

Damage to the stores has been repaired, and sales numbers are coming up at both locations. Being situ-



After carrying a number of brands over the years, Outspokin' Bicycles committed fully to Trek in 2011.



ated in a disaster zone has given Outspokin' access to low-interest Small Business Administration loans, and Curran also extended his credit line with Trek to maintain cash flow.

The retailer's flagship location in Columbia floors an array of road, tri, mountain and family bikes and features a high-tech fit studio with a Purely Custom fit bike. The Irmo store also has a fit studio — though no Purely Custom bike — but leans more toward the mountain market due to its close proximity to 30 miles of singletrack in Harbison State Forest, where the local chapter of the Southern Off-Road Bicycle Association (SORBA) is active in trail building.

"It's starting to get some really good flow there. It's not just hiking trails you ride a bike on anymore," Curran said. **BRAIN**

Cycle Center

Employees: 10

Store size: 5,000 square feet

Sales emphasis: Full line

Years in business: 25

Main brands: Specialized, Cannondale, Fuji

Owner: John Green

John Green opened the first Cycle Center location in Columbia, South Carolina, 25 years ago. He eventually expanded to three locations, but is now down to one after a fire forced him to close a store in North Columbia two years ago and closing another to open his current store in a larger location 14 years ago.

Store manager Rebecca Everling has worked at Cycle Center for 20 years. A former velodrome champion, Everling also teaches cycling classes at the University of South Carolina in Columbia. Everling and her husband, Derek, who previously managed other Cycle Center locations, now work in the same store alongside Green.

"When we closed our store two years ago, we all came into the same store, and it's been a little bit challenging to have three big heads under one roof," Everling said. "But having us all in place has also been a huge asset."

The 5,000-square-foot shop has a full-service repair department with three mechanics. A recent remodel expanded and opened up the service area, and Green also

added a bar to create a seating area. A fresh paint job and other improvements throughout helped modernize the shop's interior. The store also has a dedicated fit studio.

"We had been using the space as a kids' play area, but I thought we could better utilize it by adding a fit studio," said Green, who although it was his day off, his birthday and he was moving to a new house, came by the shop



Cycle Center owner John Green opened his first location 25 years ago.



A recent remodel expanded and opened up Cycle Center's busy service department, which also has a bar where customers can watch mechanics in action.

to visit the Dealer Tour crew. "This was eight years ago, before the bike fit trend was very popular. It turned out to be a good decision."

Cycle Center caters to a broad customer base and sells everything

from cruisers and fat bikes to high-end road and triathlon bikes. The shop hosts several group road and mountain bike rides per week, including a Friday road ride that ends with beers at the store — a ride that started 25 years ago. Cycle Center also sponsors several area races, including a kids' triathlon.

Manager Everling said that 2016 has been one of the shop's best years.

"We are having a phenomenal year. We're up about 25 percent," she said. "Part of that is due to a 30-bike sale we made to the city this year. Having a sale like that definitely boosted revenue." **BRAIN**

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The Spoke Easy

Employees: 4

Store size: 1,500 square feet

Sales emphasis: Service; commuting and everyday riding; bar with beer and cider; community events

Years in business: 5

Main brands: Linus, Fairdale, State Bicycle Co., Surly, Sunday, Fattimagic Workshop (custom)

Owners: Kevin Kennedy, Chris Scorsone

The folks at The Spoke Easy call their space “the reverse mullet”: party in the front, business in the rear. Customers walking through the front door might not even realize at first glance that the combination bike shop and beer bar also houses an architectural design firm right behind it in the same storefront.

Architects and bike fans Kevin Kennedy and Chris Scorsone launched their Cluck Design Collaborative — named after a stuffed rooster found in one of their first residential projects — in 2004, and added a bike shop and bar five years ago. They’ve been in their current space, a high-ceilinged former art gallery in Charlotte’s Elizabeth neighborhood, for almost two years.

“We slowly made the transition to being a bike shop. We were initially looking at designing bikes and products, but we pretty quickly saw the power in the community, and shifted to be more community focused,” Kennedy said. “We still do custom bicycles, but we’re not doing as much of it as we thought.”

The Spoke Easy sells an eclectic



The Spoke Easy shares space with the owners' architectural design firm, Cluck Design Collaborative, which is tucked behind the combo bike shop/beer bar.



Dread Fiyah, a former BMX racer and national trials riding champion, splits his time as a draftsman for the design firm and service manager for the bike shop.

mix of urban, 'cross, mountain and BMX bikes from Surly, Salsa, Fairdale, State Bicycle Co. and Sunday. Its biggest movers, however, are stylish European-inspired city bikes from Linus priced at \$600 to \$850, said Dread Fiyah, who divides his time as an architectural draftsman for Cluck and service manager for The Spoke Easy. Accessories are targeted squarely at commuters: locks, fenders, blinky lights, bells, racks, and urban helmets from Bern and Lazer.

Service accounts for about 60 percent of The Spoke Easy's business. The shop's bar, with seven taps and cans of craft beer and cider offered, plus seating and a cornhole game outside the front door, encourage customers to linger as they wait for repairs or to just drop in after work for a round or two.

The Spoke Easy strongly focus-



The shop's bar has seven tap handles and offers a variety of craft beers and ciders in cans.

es on community events and being a gathering place for the Elizabeth and Plaza Midwood neighborhoods of Charlotte. It hosts a rolling party celebrating Elvis' birthday in January, with The King crooning from a pedicab; parties every Friday the 13th; weekly rides for several skill levels and types of riding, including one for 20-inch BMX bikes; yoga classes; and a six-week mechanic class for commuters.

“We’ve been really happy with the way we’ve been able to influence the community in a positive way,” Kennedy said. **BRAIN**

Trek Bicycle Store of Charlotte South

Employees: 10

Store size: 3,200 square feet

Sales emphasis: Midrange bikes

Years in business: 3

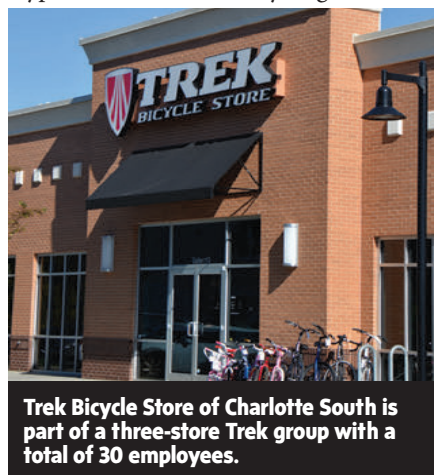
Main brands: Trek

Owners: Doug Korinek; Chris and Nathan Vasiloff

In creating the Trek Bicycle Store of Charlotte South location, Doug Korinek kept the archetypal Bob's Bike in the back of his mind. You know the place: Lots of bikes on display making it hard to walk around, everything a bit grubby, the smell of tires and grease filling the air, and a distracted all-male sales force in the back.

“There are plenty of stores like that. I wanted to do something different — create a store with a retail environment women would feel comfortable shopping in,” Korinek said.

The Charlotte South store is part of a three-store Trek group that shares ownership and employs 30 across all its locations.



Trek Bicycle Store of Charlotte South is part of a three-store Trek group with a total of 30 employees.

Its flagship store is Cool Breeze Cyclery in Mooresville, North Carolina, a shop with a 25-year history.

Opening Charlotte South as a Trek store is an important part of Korinek's strategy to be welcoming to non-cyclists as it suggests a safe retail experience to those not inured to traditional bike shops.

The floor is open with bike displays scattered in groupings and a prominent women's clothing section seen immediately on entry. The shop is kept clean; even the service department, with three full-time mechanics, is clean enough for food prep.

Instead of the smell of tires and grease, the shop's plug-in Glade air fresheners — scents changed seasonally — greet the customer in a decidedly non-bike shop manner. The normal markers of masculine retail are missing by design.

It's not unusual for the shop's Wednesday women's-only TaTa ride to number 100, in part because store manager Ang Olson has been so proactive reaching out to women in the community with clinics and social nights.

Olson and other shop staff are strong supporters of Tri for Life and have helped numerous women as they train for their first triathlon.

“Women are a big part of our business, as are bikes for the whole



The shop has an open floor plan with bike displays scattered in groupings. “Women are a big part of our business, as are bikes for the whole family,” co-owner Doug Korinek said.

family. We do a lot of work promoting kids' cycling in the community, but there is not the infrastructure to support it yet,” Korinek said.

Incomplete cycling infrastructure is a common complaint among Charlotte-area retailers, though they note the situation is quickly changing.

Korinek notes the strength of what cycling culture can accomplish, pointing to the work of Charlotte's Tarheel Trailblazers in building local trails. Those trails kickstarted mountain biking in the area — and mountain bike sales at his shops.

“As plans for the greenways to link up happen, commuter and general bike sales will increase. We've still got a long way to go, but changes are coming,” he said. **BRAIN**



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Bicycle Sport

Employees: 5 full-time, 2 part-time

Store size: 3,500 square feet retail plus 2,200 square feet basement

Sales emphasis: Full-line shop

Years in business: 34

Main brands: Trek, Electra, Cannondale, Santa Cruz, Colnago, Moots

Owner: Ben Cooley

When Ben Cooley bought Bicycle Sport, it was road-centric. “It was a bit Ricky Racer for a long time,” he said.

The shop was opened in 1982 by Thad Fischer, a former pro racer who now runs the velodrome in near-by Rock Hill, South Carolina, and Cooley bought it from its second owner in 2011. To make the shop more welcoming, he added kids’ hybrid and ‘cross bikes. And over the years its customer base has evolved to include



Bicycle Sport has evolved from its road roots to a broader range of products including kids’ bikes, hybrids and cyclocross models.

more mountain bikers and families — something that is reflective of the changing neighborhood as more families move in and want to enjoy the nearby greenway.

While Trek and Cannondale are his longstanding main-line brands, he carries a mix of niche high-end bike brands and accessories. He said that helps set his store apart from those with limited selection and keeps customers from going to the Internet. “We’re creating less choices as an industry,” he said. “I can’t tell you how many people walk in this door and thank us for having a selection.”

Cooley also competes against neighboring shops and online stores by staying connected to the local cycling community. He hosts a Saturday shop ride, Friday-evening pint nights, and a customer appreciation month with specials and giveaways. He also teaches kids to ride six times a year. “Getting involved in the community makes you relevant,” he said.

Bicycle Sport has benefited from being in Charlotte’s desirable Myers Park neighborhood, where real estate is hot and heavy foot traffic from nearby shops and a higher-end customer base keeps his average bike sale just under \$1,500.

But the hot real estate market recently proved a double-edged sword. Cooley’s five-year lease is up and his landlord just notified him of a 32 percent rent increase.

“Real estate prices have gone



The shop takes a playful approach to racing, promoting the local ‘cross series with an oversize cutout of Tim Johnson.

through the roof but our manufacturers have lowered MSRPs and margins are shrinking. Employees want to get paid more, but as fixed costs are going up we have much less of a pie to do that with,” Cooley said.

Cooley’s still considering whether or not to renew his lease, but he did approach his staff to engage them in discussion and brainstorm ideas, including opening the doors on Sundays for the first time.

“As an owner, we can either cut fixed costs or we as a collective group can get creative and generate more income. We started going through the pricing structure and taking a fine-toothed comb to the business,” Cooley said.

“The industry is going through a lot of changes. There will always be a need for a bike shop, I’m just not sure it will look the same as it looks today. It may be slightly different. As the industry changes, we’ve got to get creative.” **BRAIN**

The Bike Gallery

Employees: 2 full-time, 1 part-time

Store size: 2,000 square feet

Sales emphasis: Urban and road

Years in business: 42

Main brands: Fuji, Raleigh

Owner: Al Lizarazo

When Al Lizarazo emigrated from Colombia to Charlotte in 1962, he spoke no English. But the former racer knew about bicycles.

He went to work in 1970 for a local hardware store that also sold and serviced bikes. In 1974 Lizarazo

opened The Bike Gallery, when gas was expensive and 10-speed bikes were in high demand.

“We had very little merchandise in the store. We only had 10-speed bicycles. At that time there were not so many models; one of the problems I see with the industry is we have too many models,” he said.

The Bike Gallery carries a bit of everything, but these days it focuses less on road bikes and more on city and hybrid bikes. And while bike brands have come and gone from the shop over the years — Panasonic and Peugeot among them — Lizarazo has carried Fuji and Raleigh since the beginning.

The shop serves a Hispanic clientele, promoting Spanish-speaking on its website. It also hosts a regular Thursday night shop ride in the summer, which attracts a majority of Latinos and fellow Colombians.

He has operated in his current corner location in a now-gentrifying area of Charlotte since 1980. He keeps the doors open by keeping his overhead low — rent increases are modest, and the shop has only two additional employees, including Lizarazo’s younger son, Andres. His older son, Roland, is a sales rep for Mavic and helps out the family business at busy times and when Lizarazo travels back to Colombia once a year.

The 76-year-old still goes to the shop every day, but he says the business is changing and he wants to turn it over to his son. “What I really want to do is retire and get the hell out of here,” Lizarazo



The Bike Gallery owner Al Lizarazo, 76, still rides with his son on Sundays and can keep up with the group ride on the flats. “The only medicine I take is two baby aspirin,” he said.

laughed.

For his part, Andres would like to keep his legacy going. “It’s been here for so long,” he said. “This is a part of Charlotte.” **BRAIN**



The Fuji and Raleigh dealer opened in 1974 and has been in its current location since 1980.



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CAROLINAS DEALER TOUR



We had no shortage of shop dogs on this tour, starting with our first stop at Charlotte's Uptown Cycles. Wallace gets some snuggle time with momma Karen Muehl, wife of Uptown owner Chris Sheehan.



Laying down the law at Bicycle Sport in Charlotte



BRAIN's Julie Kelly snaps a selfie with two of the three shop goats that keep the grass down in a vacant lot next to Charlotte Cycles.



The Spoke Easy's Dread Fiyah told the Dealer Tour about the business's unique setup: a bike shop and bar in the front, and the owners' architectural design firm in the back of the same space.



Finish Line's Derek Goltz works on his cornhole game on the patio in front of The Spoke Easy.



Charlotte is making strides in cycling infrastructure, but this is still the city's only green lane.



Through-axle security for the TP at Uptown Cycles

CAROLINAS DEALER TOUR



Espada Bicycles owner Steve Maleski has all the necessary tools of the trade within reach on his work bench.



Yo, Tim! We can update that 2010 BRAIN Industry Directory for you!



Hutchinson Tires' Roy Hough leads the way on Day 1 aboard an EVO electric bike provided by Dealer Tour sponsor Hawley-Lambert. His three days aboard the pedal-assist bike made him an e-bike believer (see Hough's guest editorial on page 36).



Local flavor in the apparel section at Outspokin'



After an enthusiastic greeting, Outspokin' Bicycles shop dog Grizzly settled down long enough to pose for a portrait at the Columbia shop.



Local advocate Jordan Moore guided the Dealer Tour on our second day in Charlotte. He was especially helpful in letting us know when we could "diddy-bop" off the greenway to hit some dirt and pointing out when we'd need to "chunk ass" through a quick traffic signal.

Saddle time on an e-bike changes a 'cheating' heart

I admit it: I was a skeptic, if not a vocal opponent of e-bikes. Like so many people in our industry, I thought they were tantamount to cheating. After spending three days riding around the Carolinas on a pedal-assist e-bike, I discovered how wrong I was.

I am resistant to change, I'll confess. When you work in an industry that is constantly trying to modify every tiny part for marginal gains (resulting in the 100 bottom bracket standards we now have), it is easy to resist change and stick to what you know, what is comfortable. What I learned on this BRAIN Dealer Tour is that you need to keep an open mind or you might miss something that can help bring more people and more visibility to cycling.

What is sticking with me is the passionate shops that not only took care of the standard bike crowd, but now the e-bike customer and how that part of the business is crucial to success. I heard everything from how it helps get more people on bikes to the fact it is perfect

for those guys racing because it does give them extra miles on the bike (whether commuting or riding with their family) without creating undue fatigue.

At the end of the day, what brought me around and made me a convert is the simple fact that I spent three days riding around North and South Carolina, cruising at a solid speed, wearing jeans and a

Dickies work shirt and not once did I feel a bead of sweat form. It opened my eyes to the possibilities of commuting without carrying extra clothes, running errands without much effort after a long day, or simply enjoying a nice ride with my wife while we enjoy each other's company, instead of a shared suffering.

If you haven't taken the time to really take an e-bike for a ride, do yourself a favor and try it. You will have more fun than you thought possible. I promise it isn't cheating.



Derek Goltz
Marketing manager
Finish Line Technologies

Differentiation is important for these local bike shops

Every retailer we visited on our Carolinas Dealer Tour sold bikes, but each store had a completely unique personality. That was no accident. These are savvy retailers who understand that in a competitive environment local businesses need to deliver an experience to customers and build meaningful relationships.

As much as the bike business is about product, it is more about the customers. What do customers want? How do you deliver it? How do you get the customers' attention so you have a chance to earn their business?

While every owner we met was driven by cycling passion, none of the shops were hobbyists. They were all running a business, not just a bike shop.

Entrepreneurs who can create a store identity, possess a commitment to the community, invest in the right selection of product, hire and train friendly staff, deliver exceptional service and build an operationally sound business model amaze me.

These stores had character. Shop dogs were everywhere and were an essential part of each business' story. Charlotte Cycles found a niche in the shop pet game by having goats, while at the same

time focusing their business niche on the growing e-bike market in Charlotte.

The Spoke Easy created a welcoming environment for cyclists and non-cyclists to congregate by blending a bar with their passionately curated cycling product selection. The shop shares space with an architecture and design firm. They broke the mold in favor of building something special.

As the guy from SmartEtailing, naturally a lot of my conversations drifted to websites. Every retailer agreed that their websites needed to attract and inform their customers effectively, because in many cases it is their first opportunity to introduce themselves to new people.

This is the time of year where many stores around the country have downtime to invest in planning for next season. Based on what I saw, I recommend that shops ask what they can do to make the customer experience special and then make sure that the message is front and center on their website.

Brian Rawlings
Business account executive
SmartEtailing



Industry's future relies on success of small businesses

I have always looked up to and been inspired by small-business owners. The IBD entrepreneurs we met in both Charlotte and Columbia were no exception. Seeing an eclectic mix of dealers driven by a passion for cycling and a fierce independence spoke volumes about what works in this industry.

The crazy and inspiring part is that most started their journey without a plan of any kind and have found their way by connecting with their own communities. Those who are doing well are creating, developing and fueling a cycling culture in their neighborhoods. This proves that there is success to be had, even in seemingly difficult times.

The successful retailers are also evolving with their neighborhoods as customers' needs change. Those who are not connecting and not changing are predictably struggling.

Charlotte is a perfect example of where we are as an industry. The city is nearing a tipping point with a great infrastructure of not quite complete or connected greenways. They have amazing cycling spots across the city, but they're not as busy as they could be. Finishing and connecting the gre-

enways and attracting more people to facilities like the U.S. National White-water Center will help push the Charlotte cycling community past the tipping point, and that's exciting.

As an overall industry, there is something to be learned from these entrepreneurs and the infrastructure they're fighting to create. We should

do more of what they are doing — connecting with our cities and towns, developing broader cycling communities, advocating for greenways, adapting to changing consumer needs, and taking more personal responsibility for getting people on bikes. Hosting a bike rodeo at the neighborhood school, trail work, local

advocacy — those are the little things that build a cycling community.

At the end of the day, success is out there for those willing to get it and not wait for it to come through the door. After all, the future of our business and our industry still depends on the success of these entrepreneurs and their small businesses.

Pat McGinnis
Vice president, commercial
Hawley-Lambert



Electrify your ride to see how far e-bikes have come

One could say I was less than prepared to ride the hills of the Carolinas Dealer Tour, but I was still looking forward to the days ahead with the other sponsors and crew from BRAIN.

As I was preparing the brand-new Look 695 road bike provided to me (thank you, Hawley-Lambert), I noticed an available e-bike from Hawley's EVO brand. After a quick change of pedals and clothing I had a new level of optimism for the days ahead.

Turns out, what I wasn't prepared for was the verbal "abuse" from my peers. "Cheater" and the like were relentless barbs directed my way, and I can't blame them. Had the roles been reversed, I would have joined in. The e-bike shame quickly washed away as I was cruising up the hills without breaking a sweat; my perspective shifted as I realized the opportunity that this category offers our industry.

Prior to the tour, my e-bike experience had been the occasional demo in a parking lot with the same takeaway: fun but awkward-looking, limited range, heavy and expensive.

This experience was different. Today's e-bikes are smile-inducing, hill-flattening, easy to use and more affordable. The U.S. market may not achieve the e-bike growth seen in Europe, but businesses that commit time and effort (not just inventory dollars) will be rewarded with a profitable growing category.

To my industry peers: e-bikes aren't cheating; they make commuting more feasible, rides with the fastest friends more enjoyable, and — best of all — they open doors for new cyclists.

Take a ride on an e-bike — you'll see.

Roy Hough
General manager
Hutchinson Tire North America



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