

A group of cyclists are riding on a city street in front of the Gare d'Orléans in Montreal. The cyclists are wearing various cycling gear, including helmets, jerseys, and shorts. They are riding on a paved street with a cobblestone pattern. The background shows the historic architecture of the Gare d'Orléans, with its arched windows and stone facade. The text "DEALER TOUR MONTRÉAL" is overlaid on the top right of the image in a large, bold, white font with a blue outline.

DEALER TOUR MONTRÉAL

Daily riders, high-level service drive island city's retail market

By Lynette Carpiet

Riding in protected bike lanes during Montréal's morning and evening commute rush hours, our Dealer Tour group had to remain alert as riders zoomed by in great numbers — a testament to the island city's strong bike commuter market.

Montréal's 24,000 bike commuters — surpassed only by the 36,000 in New York City, another North American city but with a population four times its size — are vital to the city's retail base.

Commuters at the heart of business

"A big part of our growth in Montréal is due to bike commuting," said Rémy Leduc, district manager of four Bicycles Quilicot stores, two of which are on the island. Leduc said the city's bike share, Bixi, hasn't affected those sales, with riders using Bixi for short trips or errands where they don't want to leave their personal bikes at a restaurant or bar. Theft is rampant and locks are among the top sellers at the store.

According to "Cycling in Québec in 2015," a report by Vélo Québec, a provincial advocacy group that turns 50 next year, on the island of Montréal, 2.5 percent of all trips are by bike — or one out of every

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DEALER TOUR MONTRÉAL

ABC Cycles & Sports

Employees: 25**Store size:** 10,395 square feet, including basement**Sales emphasis:** Midrange bikes**Years in business:** 84**Main brands:** Cannondale, Norco, Specialized, GT, Colnago, Louis Garneau, Miele**Owner:** Francois Sylvestre

Family ties run deep at ABC Cycles & Sports, one of the oldest shops in Montréal. It's in an old neighborhood once home to Italians and Greeks, but now slowly transitioning as Hasidic Jews and new immigrants, mostly from France, move there.

But changing demographics is spurring new sales in kids' bikes and baby seats that retrofit to bicycles, said Francois Sylvestre, grandson of the founder. "There are a lot of kids now riding bikes. Last year we sold somewhere between 500 and 600 kids bikes." It's a trend that portends higher-end sales in the years ahead, Sylvestre noted.

What sets ABC Cycles apart, however, is a resilient family history that revolves around cycling. Cyro Sylvestre left Napoli, Italy, in 1923 for Montréal. The young Sylvestre, already a racer, quickly won the Montréal Italian Cyclists' Championship a year later.



Francois Sylvestre, grandson of store founder Cyro, now runs the 84-year-old business.

Cyro then worked at his cousin's shop before opening his own in 1932. In 1948, he bought a three-story building on Avenue du Parc that today houses ABC Cycles. In the 1960s, Cyro's son, Joe, joined his father in the business and ran it until his passing in 2009. Francois carries on the family's 84-year tradition.

The store stocks an array of bikes from Norco, Cannondale, Specialized, GT, Colnago, Louis Garneau and Miele. Last year Sylvestre also took advantage of some entry-price point bikes in the \$500 range from Diamondback and Raleigh to better serve customers wary of spending big on higher-end models. Sylvestre also sells e-bikes from Specialized, Cube and Velec.

Sylvestre also hopped on the fat bike trend. Last year, he ordered 69 fat bikes from Norco and Specialized and sold through most of them and is carrying over a few for next season.

"What's happening is that a guy comes in and buys a low-priced bike, really likes it, gives it to his wife or girlfriend, and then comes back to buy a more expensive one," Sylvestre said.

But last year, prompted by his wife, Sylvestre re-examined the state of retail in Montréal, and the industry, and concluded that deep structural changes were afoot. At one point he had been managing

55 employees, but has since reduced staff to about 25.

Despite the wide array of brands he carries, Sylvestre aggressively manages his inventory to meet demand in a rapidly changing market. He pays bills promptly to take advantage of discounts; he has trimmed his orders



The store is spread across two floors and a basement, and carries everything from kids' bikes to high-end road and e-bikes.

and made it clear to suppliers that he will buy only what he thinks he can sell and only when he needs it. The result? "I feel a lot less pressure from suppliers now," he said. **BRAIN**

Fitz & Folwell

Employees: 4 plus 12 part-time guides**Store size:** 1,300 square feet plus nearby shed for rentals**Sales emphasis:** Urban commuter**Years in business:** 5**Main brands:** Linus, All-City, Pashley, Yuba, Babboe**Owner:** Shea Mayer

Brick-and-mortar retail is undergoing profound changes in a web-connected world. But Fitz & Folwell, one of Montréal's newest operations, is building its business on face-to-face connections. And driving Shea Mayer's business is the business of tourism.

Mayer, the company's founder, is developing a diversified model of retail that combines guided bicycle, walking and snowshoe tours around this historic Canadian city — winter and summer — while slowly growing a traditional retail business.

It was Mayer's love of travel and his experience in Europe on bicycle tours that brought him back to Montréal, where he launched a guided tour service in 2009. In 2011 he expanded his guiding operation to include traditional retail, service and repair, and daily rentals — a four-prong revenue model.



Shea Mayer has a diversified business model consisting of guided bike tours, retail and snowshoe tours in the winter.

Mayer's sales focus is on urban bikes from Linus, All-City and Pashley and cargo bikes from Yuba and Dutch brand Babboe. The store carries a limited number of accessories but a wide range of urban-style helmets from Nutcase, Bern, Abus, Lazer and Giro as well as bags, baskets, racks, locks and other items that cater to commuters. Add to that an array of tourist guidebooks.

The store, tucked in a remodeled downstairs basement along Avenue du Mont-Royal West, is just minutes from Mont Royal Park, one of the city's largest green spaces. Mont Royal, a 233-meter hill, towers over the city offering tourists — and tourists taken there by Mayer's guiding staff — a sweeping view of the city and the waterways that surround it.

Last year Mayer's 12 guides took some 5,000 tourists, 60 percent of whom were Americans taking advantage of a favorable exchange rate, around the city. This year he's on track to boost that number to more than 8,000 on a fleet of about 80 bikes.

His most popular tour, Montréal Highlights, takes visitors on a five-hour jaunt through the historic city. The rate, which includes a bicycle, helmet, water bottle, picnic lunch and a day's end treat of artisanal ice cream or pastry, is \$109 Canadian or about \$80 U.S.

Still, Mayer has plans for the future, but that would require a move out of his Plateau neighborhood. He would like to offer his customers beer, wine and coffee if he can man-



The store is tucked in a remodeled downstairs basement along Avenue du Mont-Royal West, just minutes from Mont Royal Park, one of the city's largest green spaces.

age his way through the city's bureaucracy. He would also like to expand his retail operation, and is considering the pros and cons of adding fat bike tours in the winter. His guides already lead snowshoe tours up Mont Royal. Those tours pack down the snow, which would make it easy for fat bikes to navigate, he said. **BRAIN**

DEALER TOUR MONTRÉAL

La Cordée (four stores)

Employees: About 300; 70 in four bike departments

Store size: (Main store) 12,000 square feet on three floors

Sales emphasis: Midrange bikes

Years in business: 63

Main brands: Argon 18, Trek, Devinci, Kona, Wilier, Triesina, Focus

Owner: Boy Scout Cooperative, managed by a foundation

La Cordée, a four-store chain, is a classic multi-sport operation somewhat akin to an REI. But there's a key difference: La Cordée's cycling division operates like a traditional IBD. It stocks Trek as its main U.S. brand backed by an array of models from Argon 18, Devinci, Wilier, Focus and Kona. And its newest store acquisition, bought last fall and renamed La Cordée Boutique, taps a growing market for touring and bike-packing built around models from Salsa and Surly.

One segment that's captured consumer interest in this city where commuters clog downtown bike lanes are so-called gravel bikes. Fatter tires and relaxed geometry can ease a commute on streets buckled by Montréal's long winters. "We do sell a lot of gravel bikes, but we don't know how much gravel they see," quipped David Tringle, La Cordée's bicycle product buyer. However, Tringle added that gravel bike



David Tringle, La Cordée's bicycle product buyer, said bikes and accessories account for upwards of 15 percent of the store's annual sales.

sales are fast eroding sales of traditional road bikes.

La Cordée, like all stores in Montréal, struggles with what is a five-month season that generally runs from April through August. Nonetheless, Tringle said sales of bicycles and accessories accounts for upwards of 15 percent of La Cordée's annual sales. And within its cycling category, apparel sales rack up 15 percent of the dollars. The store also sports a four-person service department to handle a surge of tunes and repairs early in the season.

La Cordée's main store is a three-level outlet spread over 12,000 square feet that's brightly lit and well merchandised. Its outdoor equipment and winter sports section sells a variety of top brands from The North Face, Marmot, MSR, Black Diamond and others. At its main store, La Cordée turns most of its bicycle section into a Nordic ski center specializing in classic and skate skiing. Its other store, La Cordée Boutique, is well known for telemark and alpine touring equipment, Tringle said. "It's good for us. We can keep staff by giving them regular hours throughout the year," he said.

La Cordée, founded in 1953, jumped into mountain bike sales in 1984 and has had a team racing on the provincial circuit since 1990. It also sponsored a road team for a few years, which has now become a recreational cycling club.

As for this year's season, Tringle said it's been mixed. It got off to a slow start as cold, wet weather kept customers out of the bicycle department. But a spurt of



The bicycle department takes up the bottom floor of the three-level, 12,000-square-foot outdoor store on Rue Sainte Catherine.

warm weather brought them back in. "When we think we have the season figured out, it then flips on us!" Tringle said. **BRAIN**

Cycle Néron

Employees: 9

Store size: 4,600 square feet on two floors

Sales emphasis: Midrange bikes

Years in business: 4

Main brands: Specialized, Cervélo, Kuota, DCO

Owner: David Bryson with Marc and Jean-Francois Néron

David Bryson's store, Cycle Néron Sud-Ouest, is almost a Specialized concept store without going all the way. Tucked in among Morgan Hill's offerings are a variety of Cervélos, Kuotas and DCOs, a Canadian lower-end brand.

What also sets Bryson's operation apart is his friendship with the owners of the Cycle Néron brand. While Bryson owns the operation in Montréal's Saint Henri neighborhood, his store's name is part of a larger Cycle Néron three-store chain.

Bryson began in retail in the early 1980s when he rode the wind-surfing craze from boom to bust. He then opened a ski shop where he sold skis in the winter and Specialized bikes in the summer. Canada's National Ski Industry Association twice ranked him as its Retailer of the Year in 1991 and 1992.

But Bryson was forced to close in the mid-1990s as the bottom fell out of the ski market and Canada strug-

gled through a major recession. "I had to close it; we were just losing a boatload of money," he said.

Bryson's store sits astride bike lanes leading to a network of paths flowing off the nearby 14.5-kilometer Lachine Canal. "We're quite lucky because of the bike path," Bryson said. On a busy weekend several thousand cyclists zip past his store.

The 63-year-old Bryson, a Montréal native, launched his newest store in 2012 and credits Larry Koury, Specialized's managing director in Canada, with making the comeback. "I wouldn't have started without the brand," Bryson said.

The store has prospered, doing a vibrant business in the "mid-market" category.

While he sells some high-end S-Works, it's mid-price point models that pay the bills. For example, he's had a \$4,000 S-Works Turbo on the floor longer than he would like. But Montréal's cyclists aren't ready to spend that much on an e-bike.

Service also plays a significant role at his store. That's the good news. The bad news is that Montréal's thousands of cyclists brush off the winter mud and flood local shops with repairs and tune-ups that surge in April and May.

"At the peak we may have an average of a week wait, but we want to do better and see if we can get that down to 48 hours and maybe 24," he



David Bryson opened his store in 2012.



Cycle Néron's Saint Henri neighborhood store is part of a larger three-store chain, but owned by Bryson.

said. Like other stores, Bryson gives cyclists who make a reservation preference.

Montréal is a tough market, Bryson admits. "There's something like 200 stores in the region and there's three or four within a mile or so of here," he said. **BRAIN**



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DEALER TOUR MONTRÉAL

Allo Vélo Boutique + Café

Employees: 4**Store size:** Just under 700 square feet**Sales emphasis:** European city and cargo bikes**Years in business:** 4**Main brands:** Vanmoof, Crème, Gazelle, Butchers & Bicycles, TrioBike**Owners:** Lamar Timmins, Fiona Chai (mother)

Montréal may have a lot of bike shops, but Lamar Timmins felt that they were all focused on performance riders. Four years ago, he saw the need for a friendly shop for daily bike commuters to hang out, and opened Allo Vélo Boutique + Café in the Saint-Henri neighborhood in southwest Montréal.

Timmins, 28, a native of Montréal, has lived in and traveled to many places — including Germany, where he led bike tours and noticed how many shops there were unassuming and comfortable to walk into. He wanted to bring that to Canada. “We just wanted to offer a comfortable space, more of a boutique,” Timmins said.

He also narrowed his product focus to not only city and cargo bikes, but European brands. His preference is for bikes equipped with internally geared hubs, lights and fenders. He doesn’t have to compete with other nearby retailers because he is the Canadian importer for several of them.

“We’re the only ones in Canada with these brands,” Timmins said of Vanmoof, Crème, Gazelle, and the Danish cargo brands he stocks. He also carries commuter accessories including locks, baskets, bags and racks. That selection is matched by a comfy ambiance inside — where there’s a chandelier made of handlebars, a rustic

table, bench and couch, and handlebar art on the walls. Timmins also serves up coffee, espresso and snacks.

Allo Vélo is on noisy Notre-Dame Ouest. An up-and-coming area, Saint-Henri is gentrifying and the streets are abuzz with construction. But its location right off of the scenic Lachine Canal bike path also brings in many families who rent cargo bikes on summer weekends. Timmins is a cargo bike enthusiast — so much so that he rode across Canada, from Montréal to Vancouver, in 40 days on a TrioBike cargo bike.

Timmins ships cargo bikes all over the country. Online sales make up 30 to 40 percent of his overall

business. Allo Vélo has two warehouses in Montréal where it ships from. “I would like to see cargo bike share much like the Bixi program here,” he said, adding that it would help the category, which is still very niche, become more mainstream.

Timmins said Montréal is a tough market. In addition to being seasonal (Allo Vélo closes during the winter months), it’s heavily taxed and entrepreneurs have to work through lots of red tape to get their business up and running. There isn’t

as much discretionary income compared with the Vancouver or Toronto markets. It’s also saturated with bike retail. Still, Timmins hopes to expand in Montréal with a location closer to downtown. **BRAIN**



Lamar Timmins, manager and co-owner of Allo Vélo, says brands like Crème, which is hand-built in Europe, set the store apart from other shops. Its top-selling accessory is the wicker basket.

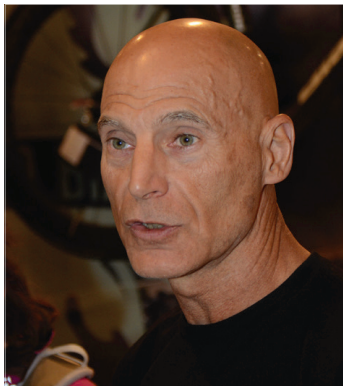


With a small 700-square-foot store, Allo Vélo relies heavily on online sales. The store works with bloggers and brand ambassadors and exhibits at consumer shows to showcase the bikes.

Cycle Technique

Employees: About 10**Store size:** 15,000 square feet including training and service areas**Sales emphasis:** Triathlon, pro road**Years in business:** 11**Main brands:** Bianchi, Felt, BMC**Owner:** Gilbert Ayoub

Cycle Technique looks like a dive from the street. When you get inside, it looks like a typical pro road and tri shop. When you step through a door, you find one of the largest service areas we’ve ever seen, with wall-mounted flatscreen TVs and one tech hard at work with a soldering iron, hacking a Di2 shifter for use on a triathlon bike. Then, if you find your way to the back of the salesroom and down the stairs, you find a triathlete’s dream gym, with full locker room and showers, a two-lane Endless Pool, a core training and treadmill room, and finally, an indoor cycling area with 24 Compu-Trainers. Did we



Triathlete Gilbert Ayoub worked in clothing manufacturing before opening Cycle Technique.



The shop is stocked with high-end road and tri product, but makes about half its revenue from service, including indoor training memberships



Cycle Technique houses an Endless Pool, treadmill room and trainer area.

mention the storage room that will handle up to 300 bikes, for members who choose to store their bikes there between indoor cycling classes?

“There’s a lot going on here,” said sales manager Sean Finkel, in the understatement of the day. The activity goes on nearly 24/7, with classes starting as early as 6 and shop employees sometimes finishing up after 10 at night.

The store is an avid triathlete’s dream man cave. Gilbert Ayoub, a 60-something avid triathlete, got into retail after moving on from a successful career in clothing manufacturing. Ayoub bought an existing tiny, service-only bike shop about seven years ago and expanded it in the new location. Ayoub now focuses on coaching and competing while his son Michael manages the retail operation.

The sales floor stocks 10 or more high-end bike brands, from Bianchi, Devinci, Felt, BMC, De Rosa, Pinarello, Wilier and more, along with rows of carbon wheels, wet suits and other products. But Finkel said the operation makes roughly half its revenue from service, including the indoor training memberships, bike fit and tech service.

“It’s a little hard to calculate because the product we do sell is very high end,” Finkel said. “But in a way, the retail operation is a boutique in the back-ground. Because let’s face it, you can buy everything online for less money. Our focus is really service.” **BRAIN**

DEALER TOUR MONTRÉAL

Bicycles Quilicot

Employees: 50 employees across 4 stores; about 20 at two Montréal stores
Store size: 2,500 square feet
Sales emphasis: Hybrids, recreational road (Rue Masson store); road and mountain (Laval store)
Years in business: Store on Rue Masson, 12 years; first store opened in 1915 — 101 years old
Main brands: Specialized, Pinarello, Devinci, Opus, Linus, Cervélo, Miéle (a Quebecois brand)
Owner: Marc-André Lebeau

Vélo Branché par Quilicot

Store size: 3,000 square feet
Sales emphasis: Electric bikes
Years in business: 3; owned by Bicycles Quilicot since February
Main brands: Felt, Specialized, BionX, Evo and Velec (a Quebecois brand)

Bicycles Quilicot dates back to 1915, when Italian immigrant Louis Quilico opened a store, adding a “t” to the end of his surname to make it look more French. The business was bought by Marc-André Lebeau, a former Canadian junior racer, 11 years ago. BRAIN visited the store on Rue Masson in Montréal, but the business runs four locations — one sells e-bikes only and was acquired in February of this year.

The Rue Masson store is the smallest in square footage, but biggest in unit volume. Most of Bicycles Quilicot's business from its two Montréal stores comes from commuters, who make up half the store's sales. The store sells lots of hybrids. The other half? Recreational road bikes.

With so much of its revenue from commuters and recreational road, the business has seen a significant impact from the decline of the Canadian dollar. Prices have crept up on entry-level bikes in the last three to four years by about CA\$300.



Rémy Leduc, district manager, oversees all four Bicycles Quilicot stores.

“That has had a huge impact on entry-level bikes and customers,” said Rémy Leduc, store and district manager.

This year, Bicycles Quilicot has benefitted from a mild winter. “We never had winter this year,” said Alexandre Hamel-Jetté, assistant manager. Fat bike sales took a hit, but sales and repairs of other bikes took off earlier. From February, the service department has been busy with repairs because of the warmer weather.

Bicycles Quilicot launched its e-commerce store last year. But the business is investing time and resources to have one of the best websites in Quebec, Leduc said.

Two dedicated staffers are in charge of web marketing including social media posts and are working on a new website, which will go live next spring. It will be focused on content with blogs and stories on product and race coverage, showcasing staff and how they use products. The new site will also be in English to grow sales outside of Quebec. Its web store has seen growth in sales in Ontario and the U.S.

Hamel-Jetté, who has worked in bike shops for 10 years and at Quilicot for half a year, said he likes the structure of Bicycles Quilicot. “Here we keep track of everything,” he said.

Two years ago the business took a hard look at how it manages inventory and reduced its preseason buy and increased just-in-time ordering, concentrating on high-volume models for preseason. Leduc said Bicycles Quilicot does centralized buying for all stores out of its Sainte-Thérèse location and office, but the selection at each store is different. “A big part of sales growth in Montréal is commuting,” Leduc said. This is reflected in sales of accessories. The big sellers at Rue Masson are locks (sold by the pallet) and studded tires, which sell “like hotcakes.”

Bicycles Quilicot bought Vélo Branché, an e-bike shop, earlier this year. The store caters to an older clientele that often comes in two or three times before purchasing a bike. But known for e-bikes, Bicycles Quilicot kept the name and added an espresso coffee bar so customers can sip on java when they come in to check out bikes.

The store, on Avenue Papineau, has a very modern feel and look. Leduc said that aside from e-bikes, the store plans to grow its selection of accessories.



Bicycles Quilicot's 2,500-square-foot Rue Masson store caters to commuters and recreational road riders. Among all four stores, the business boasts revenue of CA\$6 million.



Bicycles Quilicot bought e-bike store Vélo Branché in February, but kept the store's original name since it was well known. It also added a coffee bar.

“In Montreal we're late in the market on e-bikes,” said Leduc, especially compared with Europe, but he's seeing growing interest.

The e-bike store carries a selection of urban and mountain e-bikes ranging from CA\$2,000-\$4,000. “The nearest mountain bike trails are 30 to 40 miles away but e-MTBs are hard to find so consumers come to us,” Leduc said.

Leduc said Bicycles Quilicot has seen sales grow every year, but “the market is really flat. We work to keep it growing.” **BRAIN**

La Boutique Momentum

Employees: About 20 in season
Store size: 1,700 square feet
Sales emphasis: Commuters
Years in business: 7
Main brands: Marin, Louis Garneau, BMC
Owners: Alexandere Shareck, Yannick Guimard

With tall ceilings, good light, vintage black-and-white cycling photos and many custom merchandising fixtures, a visitor to La Boutique Momentum might expect to see a row of pricy road bikes on display. Instead, the clever handmade bike display rack at the store's entrance is full of modestly priced Marin hybrids.

Despite the boutique-style merchandising, La Boutique Momentum's bread and butter remains the commuter and transportation rider, though it also serves the enthusiast market.

At least some of the store's style comes from co-owner Alexandere Shareck, who invested in the shop after a career in architecture, where he worked on residential and commercial projects, including work for



La Boutique Momentum's bread-and-butter customer is the commuter and transportation rider.



Bike fitting service is offered using the Juteau-Cantin fit machine.

Barney's, the New York boutique.

“We wanted to give the boutique a warm feel, with a lot of wood,” Shareck said. “We want to be welcoming to a lot of people and be the local shop for the young families and students in the area.”

Like many shops we visited in Montréal, La Boutique Momentum keeps busy in winter by offering indoor cycling classes. Come winter, it converts part of the bike sales floor to a training space, with classes offered at least four times a week. The store also closes for two weeks around Christmas.

The store supports a club and a racing team and hosts regular group rides from the shop in season. It offers bike fitting services, with a relatively low-tech approach using the Canadian-made Juteau-Cantin bike fit machine. **BRAIN**



Co-owner Alexandere Shareck

DEALER TOUR MONTRÉAL

Vélo 2000

Employees: 25 across two locations

Store size: 12,000 square feet

Sales emphasis: Everything but mountain bikes; training

Years in business: 28

Main brands: Louis Garneau

Owner: Sebastien Lucier

Vélo 2000 is nearly 100 percent stocked with Louis Garneau Sports products, a testament to the brand's strength in Canada and the depth of its product line, which might surprise some U.S. retailers.

The store is owned and managed by Sebastien Lucier, who was an avid BMX racer when his father, Michel, opened the store in 1988.

The store initially stocked a variety of brands, but about 10 years ago converted to all Garneau products as a way to differentiate itself in the market, Lucier said.

"We had all the brands — Specialized, Norco. But everyone else had all the same brands as us. So we saw what Trek and Specialized were doing with con-



Owner and manager Sebastien Lucier

cept stores in the States and we thought we would try something like that. And we thought the best brand to do that with, here, was Louis Garneau."

With the exception of a few accessories and clothing, the expansive, well-lit and organized sales floor is all Garneau, from kids' bikes through to helmets, shoes, other accessories and men's and women's clothing for all seasons. The showroom is neatly divided with clothing on the left of a central aisle, and bikes and accessories to the right.

"We have no problem stocking with all Garneau; in fact, we can't stock everything they have," Lucier said. (Some of the products, such as the kids' and hybrid bikes, are not offered in the U.S. by Garneau.)

The service area is at the front of the store on the right, with windows letting in natural light and giving customers a view of the tech area even from the street.

At the back of the store, there is a room for indoor training classes, with CompuTrainers and Louis Garneau spin bikes. The store is in the process of building out a room for VO2 max testing and other services provided by well-known coach Pierre Hutsebaut.

Lucier is planning a showroom refresh for next winter and will likely add a small café up front. Even with the differentiated Garneau product, Lucier said selling service, including coaching, indoor training, bike fitting and the planned café, is a better long-term bet than selling products. **BRAIN**



Vélo 2000 converted to a Louis Garneau-exclusive product line 10 years ago — including many categories not available in the U.S.

Cycles Gervais Rioux

Employees: 9

Store size: 4,000 square feet

Sales emphasis: Road, triathlon

Years in business: 26

Main brands: Argon 18, Assos

Owner: Gervais Rioux

Gervais Rioux is a former pro road cyclist who in recent years has become better known internationally as the man behind the fast-growing Argon 18 bike brand. After retiring from racing about 26 years ago, he bought an existing shop and renamed it; the bike brand came later.

The store is the epitome of a pro road shop. Its display of the mostly black and red Argon 18 bikes in the center of the store stands out amid the spotless white paint, chrome and glass that make up the rest of the space. The sales floor features a large Assos shop-within-a-shop, and it's hard to say whether Assos' Swiss-style white-and-black merchandising influenced the shop, or the other way around.



A former pro road racer, shop owner Gervais Rioux also owns the Argon 18 bike brand.



Ninety-five percent of Cycles Gervais Rioux's bike sales are Argon 18; the rest are Moots gravel bikes.

Alain Pelletier left a career in advertising 13 years ago to follow his cycling passion and manage the location. Rioux remains very involved but spends more time focused on Argon 18 these days.

Pelletier keeps the product selection narrow and deep. Assos is the major clothing line. Ninety-five percent of bike sales are Argon 18, with a smattering of Moots bikes for the gravel-riding set. Helmets and sunglasses: Rudy Project. Shoes: Sidi.

"We try to keep a long, close relationship with our suppliers," Pelletier said, explaining that the focus creates a strong sales message and differentiates the store's offerings from competitors.

Pelletier tries to do the same with staffing. The store has just nine employees at peak season. Some of them have worked at the store for decades. New tech employees go through a long training/apprenticeship period before they are allowed to work on the more challenging tasks, like setting up a high-end triathlon bike.

That focus has helped the store establish its credibility with the roadie community, he said.

"When the store opened, it was in the middle of the mountain bike craze. We were one of just three shops selling road bikes in Montréal then, and everyone said we should get into mountain bikes. But we stuck to our guns and stayed with road, and now that road is the popular thing again, we really have a good reputation. People trust us," he said. **BRAIN**

DEALER TOUR MONTRÉAL

GUEST EDITORIALS

Retailers excel at merchandising, service to face new market reality

As an American who recently moved to Québec, I see Montréal with a tourist's eye. I enjoy the European flair this great city offers with its cobbled streets, café culture and general bicycle use. Montréal is not, however, just a quaint Euro village, and our tour helped us to understand the nuance of the bicycle trade in this city of more than 3 million. We see hardcore riders headed to train on the F1 circuit, lots of commuters, a strong bike share program, and the occasional super-stylish office worker riding in high-end business attire just to enhance the local flavor.

Most of the dealers we visited offered a balanced portfolio of product, mechanic services, and — the most enlightening differentiator — a big way to offer value to their urban customers during the northern “off-season” winter months. The most obvious innovations were indoor training gyms, athlete performance testing, bike fit, and winter bike storage. Together, these features make the stores destinations more fully in touch with consumers and able to engage with them year-round. Additionally, the dealers have reconfigured to face the reality of a new market with greater emphasis on consumer experience, clear and impactful merchandising, and increased focus on mechanic services and offerings that just cannot be replicated online.

Merchandising to tell a story. I was impressed with the consistent use of merchandising to tell a story. The strong

stores have invested in visuals and product storytelling to exhibit color matching and to showcase how various hard and soft goods as well as parts and accessories combine to serve consumers' needs. I'm not suggesting that everything was equally well merchandised or that it all needs to be. But, overall, the effort to improve the consumer experience by educating them and helping to remove a knowledge barrier was quite obvious and, according to the dealers, a pretty deliberate move. It was clear that the shops need the right vendor partners to help paint an effective picture to drive a connection for the consumer.

Branding the store. The stronger shops brand themselves, by underscoring their lifetime in the market (Bicycles Quilicot is 100 years old), their unique focus (Vélo Branché is all electric bikes), or as a strong co-branded experience (Vélo 2000 bills itself as a “Garneau Concept”). Inside, the stores also support their identities with plenty of shop-brand cycling clothing (made by a variety of custom clothing companies). This effort isn't new to the scene, but it's important to highlight it as it's a key feature of a shop's portfolio, serving to extend visibility, enhance connection with the consumer, and provide a tangible piece that speaks to the value proposition of the store itself (if you sell a low-quality kit or something outrageously inaccessible, what does this tell consumers about your store?). The strong shops are tuned into this.

Service. We noticed a pretty big conceptual shift at those shops that upended years of tradition by moving the entire service department to the front of the store. Clearly visible, generally clean and well-organized, moving service to such a prominent place speaks to the increasing role and point of differentiation this carries. Clear pricing, ticket systems, and other investments raise the bar for the shop and set service as a key driver of consumer experience, satisfaction, and return business. I heard a few service folks mention that the biggest challenge was to meet the turnaround times on bikes coming out of the winter months and that the wait was sometimes beyond a week on a basic service. The need to get wait times down to one day was talked about like the Holy Grail.

The little things. Let's not forget the importance of a clean bathroom ... Montréal is a coffee city and we had our fair share during the riding (special thanks to Vélo Branché for offering the day's best espresso served up at their in-store bar). As such, I approach this as a knowledgeable authority

on the subject. The dingy, grease-stained, cycling magazine-covered shop bathroom of yore must evolve. If you want new customers to feel happy, welcomed and valued, this little detail goes a long way.

Discovering a city by bike is really engrossing and BRAIN gets this visiting format spot-on. The approach fosters a more immediate connection to the place and tapped us into the shop locations and local routes that actual consumers take. We got a great sense for what dealers are doing to drive the local connection to their consumers, offering services and an environment that must be experi-

enced and enjoyed in-store. Our visit enlisted Montréal's extensive network of dedicated bike lanes and snaked through a pretty compact patch of town with a vigorous “summitting” of the Jacques Cartier bridge and the lone KOM of the day. It was the week leading up to the Montréal F1 event and the city had a vibrancy and ener-

gy that was palpable. Despite the urban challenges, vigorous retail landscape, and truncated riding “season,” it's clear that bikes are part of the city's energy. Successful shops tap into this with localized solutions and offerings.

Eric Sakalowsky
Global marketing director
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Eric Sakalowsky

Bike commuters, service at the core of business in Montréal

Every dealer I have ever spoken to has brought up the challenges of the retail environment. The bike industry is in a constant state of flux with retailers, distributors, suppliers and manufacturers always evolving to stay ahead of the trends. What made the Montréal Dealer Tour interesting and exciting was the way the local retailers dealt with the evolution of the industry. The shops we visited were all about specialization and putting service first.

Much like Denver, Portland and San Francisco, Montréal is becoming a full-blown cycling community. There are miles and miles of protected bike lanes, along with striped bike lanes and bike paths. The bike is becoming essential to city living and is ever increasing in popularity. The shops we saw echoed this transition.

Instead of seeing an endless lineup of mountain bikes and high-end road bikes, the majority of the shops focused on commuter bikes, entry-level road bikes, and gravel bikes (not for the gravel, but to withstand the rough roads of Montréal).

Shops continued that commitment to

commuters with full lines of clothing and accessories for city living. Many dealers explained how they initially carried the bikes they loved and high-end products, but to be successful they found specificity their friend. The more they focused and specialized in commuting and everyday cycling, the more successful they were.

The second most important aspect to successful retail in Montréal is the service center. One key reason why service is so crucial for these shops is because of the community they serve. People who commute by bike have a higher need for service. Instead of the bike being reserved for weekend long rides, it's used as a daily workhorse. With an increased workload and miles, these bikes

need to be serviced more often. Chains, tires and tubes need to be replaced more frequently, and the sales of maintenance products like lubricants and degreasers become essential.

Every shop we visited put the service area front and center in the store because they understood the key role service plays in the daily life of their customer.

Another reason service reigned at these shops is the internet. One of the biggest challenges to retailers globally is online sales. Instead of customers going

into their local bike shop to check out the latest product, a large number of consumers now get all of their information online and make a majority of their purchases through e-commerce sites. Every dealer in

Montréal understood this reality and put their service area front and center to offer that one thing the internet will never be able to offer: a qualified, skilled mechanic that can work on and repair any bicycle that comes through the shop.

These retailers knew that customers could buy things like headsets, chains and other parts online, but without the service center at their local shop, they would be unable to use them. They all happily worked on bikes, parts and accessories purchased online. This gave them the revenue from the service, the opportunity to make the customer part of their community, and the shop a part of their cycling experience.

Montréal presented a unique look into how shops are dealing with an evolving industry. Each shop realized that by specializing in the most popular type of riding in their community and focusing on their service, their business remained relevant and continued to grow in a difficult time.

Derek Goltz
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Derek Goltz

Continued from cover

Island city's retail

40 trips. In some Montréal neighborhoods, like Villeray or Plateau Mont-Royal, bike mode share is as high as 6.4 and 10.8 percent, respectively, approaching ranges seen in European cities.

The report estimated that there are 116,000 daily bike trips made in Montréal, which has a population of 3 million. The number of bike trips increased 57 percent from 2008 to 2013.

And it predicts that “the trend toward more utility cycling is likely to continue as bicycle facilities and traffic-calming measures are further expanded.”

Jean-Francois Pronovost, vice president, development and public affairs for Vélo Québec, pointed to the city's 296 kilometers of bike lanes and separated cycle tracks, and 748 kilometers of cycling networks (which includes shared streets, bike lanes, off-street bike paths and protected bike lanes), for helping establish its bike culture.

“Why do we have so many kilometers of bike infrastructure? It's simple, because it began a long time ago — almost 40 years ago. At that time, in the late '70s, there were very few U.S. cities oriented in that sense. The U.S. wasn't convinced that building separate cycling facilities was the way to go. But here we built and built and built.

“It's not only young guys in Lycra who bike. It's everyone, and everyone is a potential voter,” he added, referring to the political clout that bikes have in municipalities.

Separated/protected bike lanes — while relatively new in the U.S. — date back to the 1980s in Montréal. It's been a mix of infrastructure, a growing number of bike events like the Tour d'Ile and bike sharing that has created the bike culture that now exists in Montréal, which has a target of 50 kilometers of new bike facilities per year, Pronovost said.

This has fueled growth in newer shops dedicated to the transportation rider. Both Allo Vélo and Fitz & Follwell, which have been in business four and five years, respectively, only sell and rent city and cargo bikes. Longer-standing retailers like La Boutique Momentum and ABC Cycles carry a wide selection of urban models alongside higher-end road and some mountain bikes. Even Cycles Gervais Rioux, which focuses exclusively on high-end road, had a smattering of stylish city bikes at the entrance when we visited.

Seasonal and service-oriented

Outside of bikes for transportation, midrange and high-end road is the dominant category at Montréal shops, though fat bikes are gaining more ground as they allow retailers in this highly seasonal market — with some stores closing from December through March — to extend their sales season. With dirt trails a drive away, city shops carry a very small selection of trail-capable bikes, if any at all. And gravel bikes or road disc? Retailers have seen interest grow, but it's slow.

Due to the city's short selling season, shops invest heavily in services including indoor training classes, VO2 max testing, coaching, bike fitting and winter bike storage — some like La Cordée switch to snow shops to keep employees year-round.

And all the stores we visited mentioned that repair and other types of services make up a growing portion of their overall revenue, even though their storefronts many times were multi-level and offered hundreds and in some cases thousands of feet of display space. Service areas were large and often at the front of a store or in a separate part of a building, showcased with special lighting, custom counters and pricing fixtures.

Because of the warmer weather this year, repair business began early — in February. “Weekends are crazy with a row of 10 to 15 people waiting for that guy,” said Alex Hamel-Jetté, assistant manager of Bicycles Quilicot, pointing to his mechanic. Come spring, retailers have a hard time keeping up with repair and tuneups.

Top-notch merchandising

Unlike any other market where BRAIN has toured shops, Montréal retailers stood out for their merchandising and their wide stock and selection of apparel, shoes, helmets and riding accessories. Nearly every retailer had a sizable and dedicated apparel section, as well as helmet and shoe walls. Fitting rooms were pretty standard.

Multiple brands, multiple sizes, multiple colors — customers had choice when it came to clothing, a refreshing change from U.S. retail.

And retailers are successful selling it. Clothing accounted for up to 15 percent of dollars within the cycling category at La Cordeé, while Velo 2000's floor was evenly split between bikes and apparel.

Custom fixtures and displays were also prevalent. At La Boutique Momentum, the owners display rows of Marin bikes on a handmade wooden rack, and the wood theme is carried throughout other fixtures and wall accents. Showroom floors crowded with bikes and parts were the exception rather than the rule.

“We just want to offer a comfortable space, a boutique kind of feel,” said Allo Vélo's Lamar Timmins, who had one of the smaller shops but still managed to give it a touch of European flair.

A boutique-like environment was often the standard Montréal shops aimed to achieve. **BRAIN**



Louis Garneau rep Eric Wiseman (left) and global marketing director Eric Sakalowsky led our group to our first stop, Bicycles Quilicot, on one of many bike paths in the city.



Cycle Neron's shop dog Ruby welcomed our group to the store on day two.



Montréal has plenty of street art and murals throughout, including this one on the side of Bicycles Quilicot's building on Rue Masson.

DEALER TOUR MONTRÉAL



Capping off the first day riding along a path in Vieux-Port (Old Port) Montréal



We had the best weather on the first day, when it was sunny and even warm. Here we take a load off after the last shop visit at La Cordée on Rue Sainte Catherine.



A barista in addition to co-owning Allo Vélo, Lamar Timmins served our group espresso and coffee as we kicked off the second day of visits.



We rode the scenic Lachine Canal bike path, which stretches 14.5 kilometers, as we ventured to Allo Vélo southwest of the city.



We crossed the Jacques Cartier bridge, which has a separated bike lane with speed barriers, on our way to Longueuil on the other side of the St. Lawrence river.



This image of Gervais Rioux during his professional racing days is proudly displayed next to his shop's fitting rooms.