

Number Crunch

What Housing Crisis?

BY RAY KEENER

Despite economic turmoil and foreclosures at their highest levels since the Great Depression, your best customers are not sideways on their mortgages. Most bike shop customers have money and the security of solid home equity.

According to Catalyst Communica-

tion's 2008 study, "Who Shops at American Bike Shops?" 96 percent of your customers own their homes. And as this graph shows, 76 percent have been in their homes for five years or more.

Catalyst chief executive officer Leslie Bohm suggests these data give bike marketers reason to be hopeful.

"Our industry's core customers are in a more secure position than average Americans," Bohm said. "They're generally in more stable jobs, with 42 percent earning over \$100K a year, and most are far from the crisis in plummeting home equity. In fact, most have owned their homes long enough to have secure, appreciated value, and many have little or no mortgage debt."

Bohm's advice: "In hard times, focus on your core customers—that 20 percent who bring 80 percent of your profit. Your customers are still spending, but you'll need to reach out to them and present reasons to shop with you. This is not the time to eliminate advertising, just to demand more results from it."

Most Bike Shop Customers Are Settled in their Homes

Length of Residence



Source: "Who Shops at Bike Shops?" 2008 study by Catalyst Communication and Bicycle Retailer and Industry News. © Catalyst Communication