

Editorial

Suppliers Not at Fault for Forecasts, But Guilty of Bad Timing

Suppliers don't have the gift of foresight when it comes to predicting bike sales.

In recent years, with a booming road market and a strong economy, suppliers could rely on the health of the market and forecast aggressively.

However, in uncertain times such as these forecasting is more of a guessing game. The economy has softened and yet thanks to favorable trends such as

environmental consciousness and high gas prices consumers are still snapping up bikes.

Suppliers can't be faulted for being short bikes in such an unpredictable market, however they can be blamed for bad timing. Retailers report poor availability of hot models in the midst of the summer selling season. And having sold through popular models, they can't order replacements until new model year

bikes arrive.

In many parts of the country the season is short, and dealers need to take advantage of every sales opportunity within that limited window. That means having the right inventory mix to close the sale.

Not having certain bikes in stock makes it hard for a dealer to satisfy a customer looking for a specific make, model or size. Moreover, selling out of

a certain model or category now could mean a lost sale as a consumer forgoes a new bike purchase until next season.

Industry leaders are in a position to adjust their model year transitions. Moving them back would take pressure off dealers during the key selling period. Given the challenges of forecasting, suppliers should time their introductions to ensure that their dealers have what they need, when they need it most.