

Cater to Kids to Survive the Present, Build for the Future

As retailers strive to find ways to stay afloat in the depressed economy it's easiest to focus on our current core customer base. But thinking about ways to cater to and inspire the next generation of bike shop customers could garner sales now and in the future.

According to a study recently released by The Outdoor Foundation,

young people who grow up experiencing nature are more likely to be active participants in the outdoors as adults.

The same study suggests that parents, friends, family and relatives are most influential in introducing youth to outdoor activities.

Through promotions and merchandising designed to suggest that your

current customers outfit their kids for a bike ride, you can tap into their desire to provide for their children.

In a recession, families are looking for ways to trim the fat from the household budget. But spending on kids is often the last expense parents cut.

Parents are willing to give up other luxuries if it means they can afford to

buy a new bike for their son or daughter. And they are more likely to find cash to fund new purchases for an activity that allows them to share memorable experiences with their child.

By encouraging parents to introduce their kids to cycling, you can not only protect your present sales, but also ensure your future sales.

Guest Editorial

Bicycle Industry Positioned Well for New Era of Frugality

BY GREGG BAGNI

When it comes to money, humans always outdo themselves. Those who lived high on the hog are fast finding a new world order called "Sensible Frugality." And it's not driven by values, virtue or love of planet, but the lack of spending money.

Today's bizzaro economy has those who once bragged about their latest "get" now bragging about 60-percent-off deals at Circuit City. Worse, many of these new "Frugals" boast about buying nothing at all. Business has to adjust, especially mediocre ones that rode a wave of premium products and price points.

The next 999 days on Spaceship Earth won't be pretty. Businesses are struggling and some will fail. A Michigan firm, Alix Partners, estimates a quarter of 182 large retailers risk being sucked into the Black Hole of bankruptcy within two years. BRAIN's recent report of Trek's Brooklyn concept store shutting

down is proof the new market ethic is unforgiving of any brand.

This cosmic crunch is speeding mediocre companies, retailers, products and services into that vortex. Do we really need a Bed, Bath & Beyond? Who misses Hard Rock Park, a 140-acre, \$400 million schlock park in Myrtle Beach that went belly up nine months after opening? Call it excessive uselessness. But lucky for us, this newfound frugality is excellent for the bicycle industry.

Here are five suggestions that might positively position your business.

Costs: Beg, borrow or steal from the savvy operators in the ultra weather-dependent snowsports industry. They constantly ramp up and ramp down for the 140 days a year they're in business. They focus on cost control and financial sensibility. Now's the time to run a low overhead machine. Involve key employees in simple, common sense, cost-saving and conservation efforts. Turn lights

off, turn down the heat, use energy-efficient transportation. You get the idea.

Cash: A bazillionaire once sagely advised: "When you have cash, the luck will come." Cash means muscling through hard times or buying a weak and annoying competitor—cheap. Not long ago if you were highly leveraged, your peers considered you aggressive and savvy. Today, high debt means you're screwed.

Creativity: Now is the time to go overboard with surprising, well thought-out approaches. In our two-wheeled world the lovely goofballs from Swobo, Electra and Crankbrothers embody this pop culture ethic. Be about quality, not quantity. Do six things for customers at 120 percent efficiency instead of 12 at 60 percent. Eschew borg-like consolidation; focus on individualism. Offer easier to enter price points to create more value. Inventive entrepreneurs will find creative ways to fill niches, touch customers, build confidence and keep the

world on track.

Communicate: Consumers will be smarter spenders than ever. They could easily spend 10 percent less on stuff without missing a lifestyle beat. They still want new stuff, but less of it and they want it to last longer. Talk to your customers now. Remind them who you are and what you stand for. If you run silent and run deep, today's economic depth charge will sink you and your mediocre brands.

Confusion: Markets are a planetary paradox. What seemed safe is now risky; what was once risky now seems safe. Data and evidence don't fit any model. But the upside of chaos could spawn a revolution in thinking. Don't be afraid to be ahead of the curve. Stay agile, be alert and foster a sense of urgency.

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