



DEALERTOUR 2012

Sacramento/Davis California

B&L Bike Shop
 Bicycle Business
 Bicycles Plus
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 Carmichael Cycles
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Photo by Cary Newkirk

Pedal-powered cities sustain diverse retailers

By Lynette Carpiet

With a commuter rate of 22 percent of the working population, cycling has become deeply entrenched in the life of Davis residents. Such a pervasive culture is why more than a half-dozen shops thrive in this college town of 65,000 that's just shy of 10 square miles in size.

Davis has upheld its reputation as a bike-centric city for decades. Infrastructure investments date back to the 1960s, long before cycling was on the radar of other U.S. cities, said David Takemoto-Weertes, bicycle program coordinator for the University of California, Davis.

"Davis was the first city in the U.S. to put bike lanes on streets in 1967," he said. "But it's always been a bike city. Even before anyone was making the effort to encourage cy-

cling, there were tons of bicycles."

Its flat topography, mild weather and small size create the perfect environment for commuting. While the city's student population propelled the bicycle movement in the '50s and '60s, today it's a lifestyle choice embraced by young and old.

If you live in Davis and work at the university, the longest commute is four miles. From Davis to Sacramento it's 14 miles of cycling through some of the nation's richest farmland.

"Davis has such a biking culture," said Kevin Hein, one of two brothers at the helm of Freewheeler Bicycle Center, one of three shops within two blocks in downtown Davis. "You visit an elementary school and see hundreds of bikes in racks. Customers who got

Continued on pg DT10

Targeting entry-level cyclists in a university town

Beth Annon-Lovering, owner



Photos by Gary Newkirk

With 32,000 University of California at Davis students a few blocks from B&L Bike Shop, their impact on sales is surprisingly limited. The family-orientated shop sells mostly entry-level cruisers, commuters and kids' bikes.

The week the UC Davis dorms open are the shop's biggest single week, sometimes ringing up \$70,000 in sales over a few days. But student bike sales during the rest of the year are scarce.

However, students do drive accessory sales. B&L sells close to 1,000 Wald baskets and hundreds of

saddles a year.

"Locals are our customers, and here in Davis that means mostly faculty and staff," said Annon-Lovering. And due to the historical bike culture of the town, she sells hundreds of 27-inch tires for all the 1970s bikes kept in service.

"Because it's so flat, the market is mostly single- or three-speeds. It takes a bit of selling to move an internal eight-speed hub," she added.

She has pushed e-bike sales fairly strongly, but has not met with any success.

She attributes the lack of interest to e-bike pricing being above what her customers are willing to spend, rather than any resistance to the e-bikes themselves.

The flat, compact city means it's pos-

sible for a bike to replace a car for many users. So Annon-Lovering sees a close tie between rising gas prices and traffic into the store.

Baskets, fenders and locks are her largest accessory categories, and the shop sells Electra, Free Agent, Fuji, KHS and SE Racing.

A little over a year ago she opened B&K Too, a clothing-only shop next door to the bikes. With no bikes or bike parts in sight, and spacious dressing rooms, Annon-Lovering is finding that women are increasingly shopping the store like they would any clothing store.

She has never carried clothing before, so as she learns her customers better she is trickling in active clothing next to her cycling-specific items. She targets her clothes like she does her bikes: to beginner and casual riders. —Matt Wiebe

B&L Bike Shop

Annual sales: \$1.2 million

Employees: 14

Shop floor space: 3,200 square feet, including bike and apparel

Years in business: 47. Beth Annon-Lovering bought the store in 1997.

Emphasis: Family and commuter bikes



High-end boutique builds business on bike fitting

If a Campy-equipped bike rolls into B&L Bike Shop needing service, the shop sends the customer down to Davis Wheelworks. The high-end shop returns the favor when a coaster hub or old Schwinn is brought to them for service: Off they go to B&L.

With Cervélo, BMC and Felt as its core brands, and with owner Joe Santos, a bike fitter to the U.S. Olympic tri team and personal fitter to some of the world's top triathletes, Davis Wheelworks owns the area's elite road market.

And fit is the shop's calling card. Most of the sales staff are F.I.S.T. trained, and customers are fit on demo bikes before leaving the store.

"We offer a lifetime fit warranty on every bike we sell. If a customer gets injured or becomes less limber, we will continue to fit them on any bike of ours we have," said Chris Townzen, Davis Wheelworks' manager.

Even the shop's popular Wednesday Putah Creek time trial, with up to 80 riders showing up, has a fit element. A photographer shoots each rider so his or her fit on the course can be evaluated.

The shop's opening price point is around \$800, but there are no price

tags on any of the bikes in the shop.

"A bike in the rack is not a finished product for us, so there is no reason to price it. In addition to fitting and swapping different stems and saddles, many customers will upgrade the wheelset or prefer to use their own. And if it is a tri bike, they will swap out the bars," Townzen said.

The narrow niche focus and recognized competencies of the shop mean a sizable number of Davis Wheelworks' customers travel up from San Francisco.

And they expect to invest time into good customer fits and realize they will be swapping out many parts as customers exercise their freedom to make their bike exactly what they want. Finicky high-end customers are embraced.

So far this season the shop has pre-sold a few Cervélo S5s and a few dozen Shimano Ultegra Di2 groups.

High-end Zipp and HED wheelsets are the shop's largest category after complete bikes. Saddles and aero bars quickly follow. And while the shop does not carry Specialized bikes, it sells lots of Body Geometry shoes, saddles and other components. —Matt Wiebe



Chris Townzen, manager



Davis Wheelworks

Annual sales: Not available

Employees: Seven

Shop floor space: 1,200 square feet

Years in businesses: 30. Joe Santos bought the shop seven years ago.

Emphasis: High-end road and tri bikes; no kids' bikes, mountain bikes or cruisers

Depth of inventory powers chain store's success



Mike's Bikes Sacramento

Annual sales: \$2.2 million
 Employees: 12-18, depending on time of year
 Shop floor space: 10,000 square feet; entire building, less than 13,000 square feet
 Years in business: As of May, six
 Emphasis: A little bit of everything; main brands: Specialized, Raleigh, Cannondale

In terms of sheer size, Mike's Bikes stands out among the cluster of bike shops in downtown Sacramento. As automatic sliding doors open, you walk in and are greeted by two-story racks of bikes filled with carbon road and mountain models on the left next to neatly merchandised apparel section. On the right, the checkout counters are equipped with the latest large-screen Apple iMacs. This isn't a shop; it's a store.

It's also one of the newer locations of the soon to be 11-store renowned Northern California chain owned by Ken Martin and Matt Adams. And it consistently ranks among the top three performing stores for the company, which opened its first store in San Rafael in 1964.

The Sacramento store has seen sales grow every year, said general manager Brian Durling, adding that it draws customers from Reno, Nevada, Oregon, Fresno and Southern California to its

annual sale. Last year alone, it put more than 2,200 butts on bikes.

Durling said his customer base ranges from the parent buying a kids' bike to an enthusiast shelling out thousands for a high-end Wilier equipped with Campagnolo's new electronic group. "As far as income levels, it's all over the place," he said.

The store rakes in a fair amount of high-end business—the wall behind the checkout counter displays \$70,000 worth of carbon fiber bikes equipped with the lightest components.

Durling attributes at least part of the store's success to product mix and depth of offerings. The store and adjacent space allows him to keep more than 600 bikes on hand. Plus, company stores easily transfer product among one another when needed. All bikes arrive at the San Rafael warehouse and headquarters, where they are taken out from boxes and built then

shipped to each store.

The Sacramento store also stocks Mike's Bikes' house brand of accessories it sources from Asia called BikeSmart, which includes bottle cages, pumps, tools, saddles and bar tape.

Durling, who began working in bike shops when he was in seventh grade and has been at the company for 12 years, said the store also

benefits from being near the American River Bike Trail that connects Sacramento to surrounding communities and is "better maintained than any road out there."

All the products sold on the company's website are shipped from this store. Online sales have grown to comprise as much business as a single brick-and-mortar store, he said. —Lynette Carpiet



Brian Durling,
general manager

Photos by Gary Newkirk

Campus shop keeps students, faculty rolling along

Six stands in the service area in the back and one in the front showroom are always in use at Bike Barn, a testament to the store's core business. Robert St. Cyr, general manager of the shop that's at the center of the UC Davis campus, estimates it handles some 10,000 repairs a year.

Some 15,000 to 20,000 bikes circulate on campus on any given day, said the school's full-time bike program coordinator, David Takemoto-Weerts. "Bicycles are by far the most common transportation mode on our campus," he said, compared with driving, taking

the bus, carpooling and walking/skateboarding. The campus core is off limits to most vehicle use, so Bike Barn has a built-in client base.

Bike Barn is quite different from your average bike shop. It's open year-round but closes on weekends and holidays, when students return home or leave town and campus is dead. And, Cyr said, everyone wrenches. "We have no dedicated salespeople," he said.

Still, it shares some similarities with for-profit shops. "I price everything like any other bike shop and have sales like other stores," Cyr said. "I have one foot in the bike collective circle and one in retail," he said. The business model is mostly break-even, with any leftover profit going back to the student association.

Cyr said his biggest challenge is finding parts for some of the bikes kids drag in. Many belonged to their parents, have been sitting in the garage collecting dust and date back to the late '70s and early '80s.

Cyr, who started as a mechanic, manages the stu-

dent workforce and the funding for the shop. (Recently he requested \$200,000 in grants for new lights, décor, paint and siding.) He has high staff turnover to contend with, as most students only work there while getting their degrees.

Though it started as a repair facility in 1971, the shop began selling reconditioned used bikes 13 years ago, and six years ago started carrying new bikes from Sun bicycles. It has since added Biria, Masi and Haro. It also carries high-end wheels from Easton (that appeal to the school's racing squad), Kryptonite locks, Showers Pass jackets, Giro gloves and helmets and Blackburn pumps. And it rents bikes—a 200-bike fleet—to students from abroad and visiting professors.

It recently teamed with Giant so incoming students could preorder a Giant bike online for pickup at the shop.

The Associated Students also runs one other location on campus, the Bike Garage, which loans tools and stands to faculty, staff and students to do their own repairs. A third location, called the Bike Hub, is set to open at the start of April, and will only sell accessories including helmets, bags, lights, locks, fenders and clothing. —Lynette Carpiet



Bike Barn at UC Davis

Annual sales: \$500,000
 Number of employees: 24 part-timers, all students
 Shop floor space and service area: 3,000 square feet
 Years in business: 41; started by the Associated Students of the University of California, Davis
 Emphasis: Repair/service for students and faculty

Manager Shell Sumerel
and general manager
Robert St. Cyr

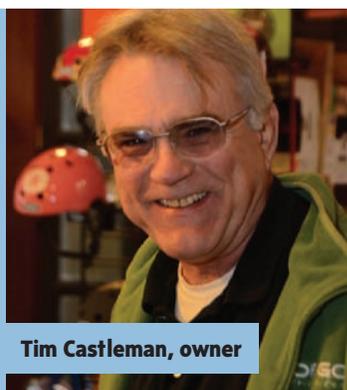


Transportation specialist caters to non-enthusiasts



Practical Cycle

Annual sales: Not available
Shop floor space: 2,000 square feet
Employees: Two
Years in business: Two
Emphasis: Electric bikes, commuters and cargo movers



Tim Castleman, owner

The store's sign is big and bold: "No Spandex. No Funny Shoes. No Problem." Welcome to Practical Cycle, a unique operation with one of the most eclectic selec-

tions of transportation two-wheelers anywhere in Northern California.

As Tim Castleman takes us on a tour, he first heaps praise on Pedego electric bikes and then notes the popularity and ease of the BionX electric-drive conversion system. He then moves on to show off the Breezers, Worksmans, Yubas and XtraCycles lining the showroom. And let's not forget the Nihola, a three-wheel cargo trike from Denmark. All of these and more are housed in an historic building in Sacramento's Old Town.

Castleman's store, like IkonCycle, is a specialty niche operation—a two-year experiment in selling cycling to people who haven't ridden a bike since they were kids. "Our focus is on the non-enthusiast," he said.

The 53-year-old former heater and air conditioning installer spent several years sketching out his business plan for a storefront in Old Town, not far from where he grew up. After

running a series of financial scenarios on Excel, he plugged in some numbers for electric bikes and, bingo, the numbers worked. And those numbers have worked so well that he soon hopes to sign a long-term lease for the space.

Castleman and his son, Cassidy, work together, and part of what puts dollars into the cash register is their rental business. For example, a customer can rent a cruiser for \$5 an hour or \$25 for the day. An electric bike runs \$10 an hour or \$50 for the day. "It's a great business," Castleman said.

Part of what drives the rental business is the store's proximity to the American River Bike Trail, a 32-mile bike and pedestrian path. Out-of-town visitors, who flock to the many festivals held each year in Old Town, generate a phenomenal amount of foot traffic. "That was a key part of my financial equation," said Castleman, calling his decision to start his store "pure luck and persistence." —Marc Sani

Delivering value and braving the wild, wild Web

Carmichael Cycles is neatly tucked away in the Five Points Shopping Center, a spot that reflects Leon Iannarelli's philosophy of delivering good value at competitive prices.

And this mini-mall in the affluent suburb of Carmichael, not far from California's capital city, Sacramento, offers just enough sizzle to keep the parking lot bustling with regular customers and casual shoppers.

Iannarelli also owns another store in nearby Vacaville located in an industrial park. Besides being a retail outlet, it also houses staff for his Internet sales program, which sells closeouts and other items. Iannarelli has been selling online for about 10 years and has a few words of

advice for would-be cyber-entrepreneurs.

"It's pretty much of a free-for-all out there online," he said, "and it's not nearly as easy as some people think." Iannarelli, a graduate of Cal Poly San Luis Obispo, wrestled while in college. And it was wrestling, which left him with a bum knee, that put him on a bicycle. After a stint as a teacher and school wrestling coach, Iannarelli opened his first store.

Steve Loebach, who manages the Carmichael location and has worked with Iannarelli since 1985, said the store is about a mile from the most popular trail in Northern California—the American River Bike Trail. And the mall where



Manager Steve Loebach; owner Leon Iannarelli

Iannarelli located his store in 1990 offers ample parking for cyclists.

Among the brands the store carries are Fuji, Kestrel, Orbea and Surly. The store ranks as one of Fuji's top five. —Marc Sani



Carmichael Cycles

Annual sales: Not available
Shop floor space: About 4,300 square feet
Employees: Five
Years in business: 30
Emphasis: Family, recreational cyclists, service

Bikes fly past snow rentals as retailer's main business



Ken's Bike-Ski-Board

Annual sales: Not available
Shop floor space: 3,500 square feet
Employees: 14 full-time; eight part-time
Years in business: 22
Emphasis: Winter ski/snowboard rentals, mountain bikes, family

Late winter snowstorms in the nearby Sierra Nevada mountain range saved the rental season for Ken's Bike-Ski-Board—it had been looking grim earlier in the year. A stingy Mother Nature had refused to deliver a substantial hit of snow until mid-March, and the store's manager, Joe Pickens, was about to write off the season.

"Compared to what I thought would be nothing, we've had huge snow and that's really spiked our rentals," Pickens said. "I wouldn't call it saving the season, but it's definitely helped."

Patrick Steggall, a sales rep at the store, said Ken's would typically have four boot fitters at work during the heart of the ski season. "We can have days when our boot fitters will have people waiting for a half-hour for a fitting," he said. That

didn't happen.

Several months of ski rentals, especially during the holidays and three-day weekends from December through February, can net enough cash to cover a significant portion of the store's annual rent.

Pickens, who grew up in Lake Tahoe and is an avid skier and snowboarder, said that at one point the rental business accounted for upwards of 60 percent of revenue; that has dropped to less than 40 percent as its bicycle business has grown, now accounting for the majority of the store's business.

The store, owned by Ken Bradford, is the only Specialized dealer in the area and that has made a difference, Pickens said. The store is the local leader in



Joe Pickens, manager

mountain bike sales and service. "We do well with mountain bikes and having Specialized in the store doesn't hurt," said Pickens, who has managed the store for 15 years. —Marc Sani

Continued from DT1

WHAT'S YOUR STRATEGY FOR THE MULTI-CHANNEL CONSUMER?

Here's a shocker: the face of retail is changing. Our colleagues in our parent company Nielsen's research division use terms like "omni-channel" and "cross-platform" in describing the myriad methods that consumers are now using to research products, make purchase decisions and, ultimately, to buy. Today's smartphone has taken things a step further by bringing the web into the store along with the customer. I'm sure all retailers, at this point, have experienced the customer browsing and scanning products in their store - if they haven't done so themselves when they shop.

In the early days of the internet we experienced a brief panic from the explosion of new online retailers like Pets.com, Amazon.com and Bike.com (remember them?), all threatening to revolutionize the way we shop and make traditional brick-and-mortar stores obsolete. Heck, did the term brick-and-mortar even exist before the new ecommerce threatened to eliminate it?

The initial threat to traditional retailers subsided a bit as a result of the dot-com bust, but online retail has continued to grow as a percentage of total retail sales. In 2011, online sales grew 16.1% to about 4.6% of total retail spending, according to the commerce department.

More importantly, we're seeing that consumers who shop in more than one channel - say online and in-store - spend more over their lifetime. And not by an insignificant amount.

National chain Golfsmith stated last year that customers that bought from them in more than one channel outspent one-channel customers by a factor of four. Golfsmith's CEO additionally commented that customers who shopped across all their channels had probably 10 times the lifetime value and they were working to cultivate that in every way possible.

Numbers like that are hard to ignore. And the point of it, I believe, is not about price and discounting. It's about convenience and being where your customer wants to be, and being available to them on their terms. Consider that the younger age groups where we struggle as an industry, consumers in their 20s and 30s do about a quarter of their shopping online. It's where they expect to find you.

The independent bicycle retailer has remained vibrant and, well, independent, to a large degree, because of the unique service-oriented nature of bicycles. Along with the mechanical requirements of selling and servicing bikes, stores can also add value as sources of knowledge, inspiration and camaraderie. But can stores truly expect customers to continue buying most of their gear in physical stores going forward? Are you adjusting to a future with more ecommerce?

Retailers will need to continue to adapt to remain relevant. Even national mass-merchants like Target are suffering from being showrooms for purchases that are ultimately made online at ecommerce powerhouses like Amazon. Target is working to evolve their online strategy while working with suppliers to devise a solution. Are you?

Companies like SmartEtailing, Trek and, most recently, QBP have announced new programs and platforms for retailers to integrate ecommerce into their operations. Many retailers have already added online shopping components to their sites. Physical retailers can no longer think of ecommerce as the enemy or even as a side venture. It's time to put down the hammer and reach into our tool boxes for some creative new solutions and be aware of how your customers are behaving to reap the rewards of serving customers where they are shopping - and stay relevant.

For more info, ideas and to share your thoughts or advice, visit the Online Marketing section of www.interbiketimes.com.

Rich Kelly
Brand & Communications Director
Interbike

DEALERTOUR 2012

their first bike at our shop are now buying bikes for their kids."

Not surprisingly, the city has a high concentration of shops. While they all cater to students and local families, each has its own niche and benefits from brand exclusivity. B&L Bike Shop serves casual riders and beginners; Davis Wheelworks caters to the tri and road enthusiast; Freewheeler Bicycle Center outfits commuters and families; the campus shop, Bike Barn, focuses on service and repairs; and Ken's Bike-Ski-Board homes in on the outdoor devotee with skis and snowboards and a brisk mountain bike business.

Because of their diversity in focus and brands, these retailers draw clientele and business from outside the Davis bubble. "People come from Roseville and Sacramento—we're like the auto mall center for bikes," said B&L Bike Shop's Beth Annon-Lovering.

It also means that competi-

tion among them is mostly friendly. They will often refer a customer to a neighboring shop. But proximity still leads to some price shopping, especially for utility bikes among cash-poor students.

"When you have three shops within a block of each other and another outside of that, everyone shops all shops," said Ken's Bike-Ski-Board manager Joe Pickens. "We're in a town that's really cost-conscious."

Sales spike for all of them during "O Week," or orientation in September, when a new class of incoming students settle in their dorms.

In Sacramento, shops pull in some of the student business from UC Davis, Sacramento State and three community colleges. Retailers in the capital city point to strong sales of cruisers, hybrids and flat-bar fitness bikes thanks to the American River Bike Trail, a multi-use scenic paved path that extends from downtown Sacramento to Folsom, some

32 miles one way.

"The trail is well used when it's warm," said Jess Polakoff, owner of City Bicycle Works, during our visit on a wet Wednesday, the first storm of the season in late February. "On a nice weekend, half of our sales are cruisers."

At opposite ends of the bike path, Practical Cycle and Bicycles Plus point to the trail as a big contributor to their rental businesses.

Sacramento has striped bike lanes in downtown and, with a full-time bicycle coordinator on staff, routinely adds cycling facilities. That's turning more drivers on to bike commuting, especially with scarce parking. And retailers remain hopeful that they will see a bump in sales as gas prices creep closer to \$5 per gallon.

All 13 retailers we visited said sales so far this year were well ahead of last year. A mild winter was leading some to a record February. With a few exceptions, the bulk of sales consist of midrange recreational bikes in this market. Boutique brands are hard to find. **BRAIN**

Hall of Fame gains more than permanent location

By Matt Wiebe

DAVIS, CA—The U.S. Bicycling Hall of Fame's coming-out party—the Legends Gran Fondo on May 6—is picking up steam so quickly that executive director Joe Herget is still somewhat star-struck.

"We are up to 20 inductees who will be riding the Gran Fondo. George Mount, Greg LeMond, Ruthie Matthes, Nelson Vails and so many others will be riding in the group, sharing their love of cycling," Herget said.

The Hall of Fame relocated to Davis, California, two years ago from its original location in Somerville, New Jersey. Herget joined the organization just prior to the move. Calling Somerville its original location, however, is misleading.

"We only had a virtual existence there; we didn't have a permanent building. We came out every year to support the Tour of Somerville and our annual induction ceremony. That was pretty much it," Herget said.

The Somerville location was chosen because the Tour was the oldest continuous competitive bicycle race in the United States.

The Northern California locale may not have the cycling pedigree of the famed mid-Atlantic 19th-century six-day races, but Davis' historic cycling credentials are solid. And the

mix of racing and recreational riding in the area encouraged Herget to opt for a gran fondo over a race.

"Our focus is honoring America's greatest cyclists. That is not going to change. But we also promote the sport of cycling. We are in the center of a very rich cycling culture and we want to celebrate all aspects of that culture," he said.

The city of Davis gave the Hall of Fame a 10-year lease of a former youth center, downtown on the corner of Central Park. Not only does it now have three floors of space, 8,000 square feet, but the city and others have provided it with generous start-up money to develop programs for local and national audiences.

"The startup funding by the city really put us on our feet. Having a building to exhibit our holdings and money to develop programs is all new to us," Herget said.

The Hall of Fame set up tours for schools and is developing third- to fifth-grade curricula to tell the story of bicycles and their riders.

Most of the Hall of Fame's collection is tied to its inductees, and though some of it is on display in Davis, much more remains in storage. Herget said the Hall will rotate exhibits to keep the visitor's experience fresh, and to see what they actually have.

"With the university so close, we



Photo by Gary Newkirk

are getting help from their archivists and librarians in cataloging what we have. We do have a sizable collection," he said.

Herget's background is in brand building for companies such as Nabisco, Dannon/Evian, Michelin and the American Diabetes Association (ADA).

But in all that corporateness, he created the Evian Women's Pro MTB Racing Team, found a title sponsor for the Dos Equis-Barracuda Pro Team, launched the Ride for the Wild Bike Festival to benefit the World Wildlife Fund, and supported ADA's Tour de Cure diabetes program.

Although Herget is unsure whether the Legends Gran Fondo will field 1,200 riders—many well-known Davis events do so in their first year—he is just happy to get it on the calendar and start building the profile of the Hall of Fame. **BRAIN**

Folsom retailer grew from humble beginnings



Photos by Gary Newkirk



Brad Winter,
general manager

Bicycles Plus

Annual sales: Around \$3 million
 Employees: 15 during peak selling season
 Shop floor space: 6,000 square feet
 Years in business: 24
 Emphasis: Fitness bikes for use on nearby river trail

About 200 yards from the end of the American River Bike Trail in historic Folsom, Bicycles Plus sells a ton of fitness bikes (flat-bar hybrids) to riders who use them on this scenic trail that stretches from downtown Sacramento to Folsom—about 32 miles one way.

“Folsom is really a cycling-friendly community with a lot of trails in the inte-

rior of the city, a lot of cyclists and a lot of families,” said Brad Winter, who has worked at the store for a decade and oversees operations as general manager.

Winter, who was born and raised in Sacramento, got into cycling in 1995 and five years later decided to ditch his job in construction to begin working for store owner and founder John Crews. BMX

Hall of Famer Crews opened Bicycles Plus on a shoestring budget in 1988 after a storied career racing. His store has undergone several expansions, including a separate area for apparel and accessories.

Bicycles Plus’ main bike brands are Trek and Specialized, of which it displays about 320 models on double-tiered racks. Winter says an additional 300-plus built bikes are stored at a 1,600-square-foot warehouse off site. The store has been riding the wave of a warm winter this year. Sales through late February were ahead of the previous year despite ongoing construction and redevelopment in downtown Folsom.

“Last year, the late winter really hurt us. This year, the economy is a lot better and people are upgrading to new bikes instead of just replacing parts,” he said. Its average bike sale is around \$1,100.

The store began carrying

more tri products a couple years ago, after realizing that consumers would drive from neighboring El Dorado Hills all the way to Davis since no other shops were catering to that market, and it continues to cultivate that segment with some success. And among the shops visited in the area, it carried a wider selection of mountain bikes. With nearby trails including Salmon Falls, Granite Bay and Auburn within half an hour from the shop, off-road as a category does well for the shop. Winter said in terms of sales, they’re evenly split between road and mountain.

Intel is the biggest employer in town, and Winter attributes much of the store’s rental business to temporary company employees who rent hybrids to ride on the American River Bike Trail. Bicycles Plus has a 50-bike fleet of rentals, from hybrids to midrange road bikes and some mountain models.

—Lynette Carpiet

All in the family—on both sides of the register

Families and students ride their bikes in Davis, California. And for Jeff and Kevin Hein, these folks keep the cash register ringing at Freewheeler Bicycle Center. Kevin credits the community’s focus on cycling as transportation as one reason for the store’s success.

“When my son was in elementary school, he’d ride the mile-and-a-half there and I’d sometimes go with him. He’d take the bike path all the way. Most families here are comfortable with their kids in the fourth, fifth and sixth grade riding to school,” he said.

Community leaders in Davis have kept a steady focus on creating kid-friendly paths that circle behind elementary and junior high schools, keeping kids mostly off the streets. The University of California campus has also helped drive a community commuting culture.

This Central Valley city of about 65,000 residents sees an influx each year of approximately 6,000 students who live on campus during the school year. One survey concluded that Davis enjoys the second-highest level of educated residents in the U.S. It’s those kinds of demographics that keep the city’s many bicycle stores in business.

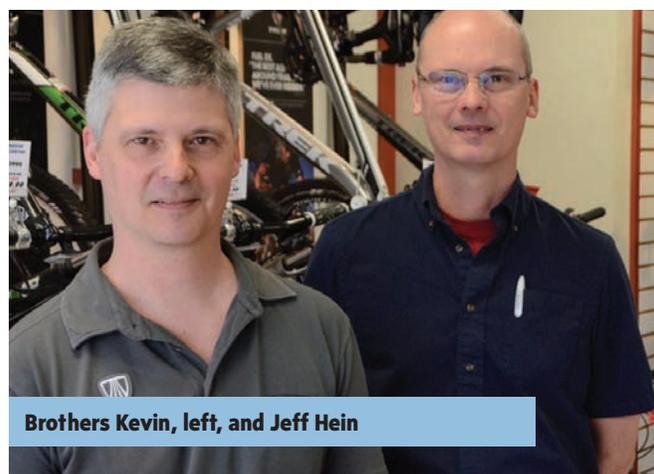
While there’s nothing flashy about

the Heins’ store, it reflects a solid emphasis on well-merchandised fixtures, no-nonsense pricing and an absence of visual clutter. Its downtown location is also plus. When customers walk in they immediately get a sense of friendly professionalism, and that’s reflected in the store’s website as well—free-wheelerbikes.com.

Customers can easily find a list for basic service prices such as tune-ups and repairs. And, reflecting its ties to Trek and Giant, there’s a good primer to help customers decide which type of bike is best for them.

The Hein family is as much a part of the Davis community as is their store, now in its 37th year of operation. Three generations of Heins work there, and brothers Jeff and Kevin are the lead cyclists.

Their father, Frank, now in his 70s, opened the store in 1975. He still man-



Brothers Kevin, left, and Jeff Hein

ages the business side while Jeff and Kevin manage day-to-day operations. Several of Jeff’s children also help out part time.

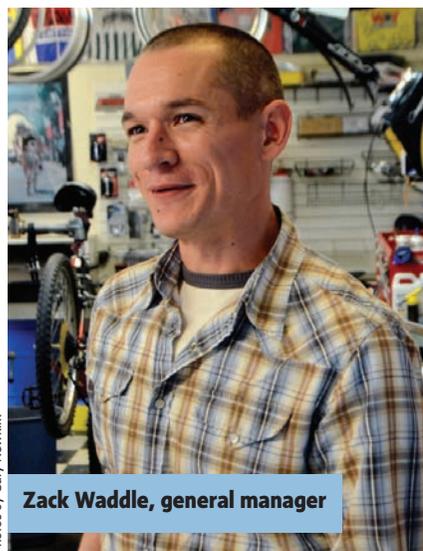
Despite the deep recession that has plagued most of America the past three years, the Heins have done well and the brothers predict another strong year, especially if gas prices continue to rise. “It’s still too early to tell about gas prices; the threshold may still need to go a little higher. But if it continues we’re going to see more interest,” Jeff said. —Marc Sani



Freewheeler Bicycle Center

Annual sales: Not available
 Shop floor space: About 3,000 square feet
 Employees: Four full-time; five part-time
 Years in business: 37
 Emphasis: Family and university, elementary and high school students

Fixie favorite embraces touring, beefs up online presence



Zack Waddle, general manager

Photos by Gary Newkirk

There is still a rainbow selection of Nitto bars and garishly colored deep-dish rims packed into the small shop, but now they share space with Arkel and Ortlieb bags and dynamo lights.

Five years ago Bicycle Business was a destination fixie shop that also serviced its local neighborhood. Today, general manager Zack Waddle says he's coming up to speed routing wires for dynamo lights.

"I've only been here a year but the interest in our touring and commuting product is really taking off," Waddle said.

The shop sells Breezer, Civia, Felt, Fuji, SE Racing and Surly as well as various track framesets. And custom wheel builds—fixie and touring—are a huge part of the shop's sales.

With McClatchy High School across

the street, Waddle still does a lot of neighborhood business, mostly servicing flats and tune-ups. But flooring kids' bikes in wheel sizes 20- and 24-inch as well as 650b, the shop also keeps local families on quality bikes, he said.

Bicycle Business' website, thebikebiz.com, generates about 15 to 20 percent of its overall business on straight sales. But Waddle notes it is a big contributor to the shop's revenue as well. "It's really important driving people to the shop, more so than just having a website up. And we've just hired our first full-time employee to manage the site," he said.

Like the store, the website is transitioning from fixie/track equipment to touring and randonnée, and Waddle is creating a new website for the category.

—Matt Wiebe



Bicycle Business

Annual sales: Not available

Employees: Five

Shop floor space: 1,500 square feet

Years in business: 40. M. L. Woy bought the shop 12 years ago.

Emphasis: Commuting, fixie and touring

Finding a comfort zone in flat-bar hybrids

Justin Monzon made the switch to Performance Bicycle three years ago after working at City Bicycle Works, a specialty bike shop in downtown Sacramento, and Sport Chalet before that. He started as service manager at Performance's Fair Oaks store and soon was selected to head the Sacramento store as its general manager.

The store, one of a dozen Performance locations in Northern California, is located in a strip mall on busy Howe Avenue. It appeals to the area's student population, drawing business from Sacramento State and UC Davis, Monzon said.

Its sales are skewed slightly more to the road side, with its bread and butter in sub-\$500 flat-bar comfort hybrids. The

store can't keep enough Fuji Cross-town and Absolute and Schwinn Sierra and Voyageur models in stock, Monzon said, adding that it doesn't cater to elite cyclists but more the newcomer and entry-level rider as well as families. Accessories, clothing and bikes all take up equal thirds of the showroom floor.

While other Performance stores carry Focus and Devinci, Monzon said those brands don't quite fit this market. "Prices are too high," he said.

Much like other U.S. retailers, this store has seen an explosion in 29er sales. Monzon said he has adjusted his stock to reflect that trend: 26-inch bikes are only stocked in that



Justin Monzon, general manager

lower price point; midmarket and higher-end mountain offerings are all the bigger 29-inch size. "People not interested in



Performance Bicycle

Annual sales: Not available

Employees: 11

Shop floor space: 4,000 square feet

Years in business: Eight

Emphasis: Comfort hybrids for casual riders

mountain bikes come in asking for 29ers for riding around town," he said.

—Lynette Carpiet

Intimate space suits boutique's personalized service



IkonCycles

Annual sales: Not available

Shop space: 1,500 square feet, including storage

Employees: Two

Years in business: Four

Emphasis: Boutique bike fitting, custom builds

Adrian Moore runs a micro-shop. It's about the size of a Sprinter van—plus or minus a few feet. But that's OK with Moore, who strives for a personal connection with his customers and the few products he sells.

And he must be doing something right. Moore has been selling and servicing bikes here and there in midtown Sacramento for years and has built a sufficient customer base that he had to lease more space.

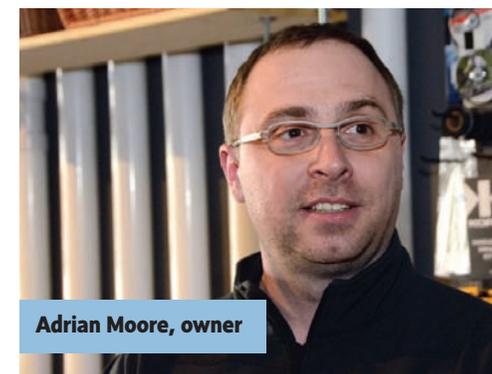
Moore delivers expertly assembled bikes, and his custom-build business accounts for 80 to 85 percent of his revenue. He recently moved into this van-sized storefront from an even smaller location nearby.

IkonCycles represents an emerging trend in retail—small shops that tend

to focus on high-touch customer service like boutique fitting and custom builds.

An engineer by training, Moore caters primarily to enthusiasts who understand fitting and are willing to spend several hours undergoing a rigorous fit process. "If I had to do general retail, I wouldn't," said Moore, a native of Portland, Oregon. Still, he sells Breezers as a complement to Kestrel, Argon 18 and Wilier.

Moore and one other employee run IkonCycles. His community outreach depends on an occasional ad aired on public radio, word-of-mouth and personal relationships developed over more than four years of bike fitting and sales.



Adrian Moore, owner

But Moore is the first to acknowledge his strategy is unlikely to make him rich, and he prides himself on limited stock, once telling a sales rep that if all he wanted was to fill up his showroom, he should go someplace else. —Marc Sani

City Bicycle Works differs wildly between two locations

City Bicycle Works is transitioning one more time. Sacramento's bike paths and street striping, and college students' quest for low-cost housing and a car-free lifestyle, are changing the culture around its downtown Sacramento store.

"I started with a focus on road, then got heavily into mountain bikes, then road came back. Now with so many college kids around, my cruiser sales are strong and we sell a few fixies," said Jess Polakoff, who owns two stores in the area.

The changing demographics caused him to hire more college-age employees who connect with a younger crowd. And the changes are working. He said it's not uncommon for young couples to come in and buy a pair of cruisers for getting around downtown.

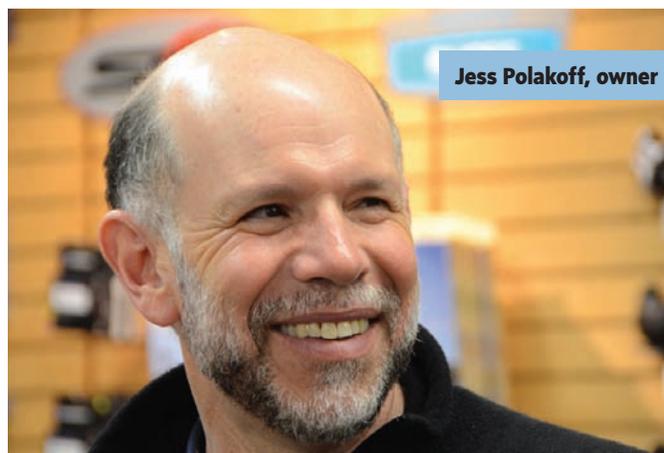
"And I would have to say sales of hybrids and commuters are also growing as more people get out and ride downtown

and the American River Trail," he added.

Even though his Citrus Heights store is only a few miles away, sales of cruisers, commuters and hybrids are almost nonexistent there. Its suburban neighborhood setting caters to a more traditional mix of road and mountain bikes.

But the newest change at the downtown store is the addition of a Trek Project One center on the sales floor, thanks to the recent North American Handmade Bike Show in Sacramento.

While Polakoff is unsure exactly why Trek wanted to get its Project One center



Jess Polakoff, owner

installed in time for last month's show, he is more than happy the company put it in.

"We sell about 10 Project One bikes a year. I expect having the nice setup with the kiosk will increase sales, something that will be interesting to evaluate," he said. —Matt Wiebe



Photos by Gary Newkirk

City Bicycle Works

Annual sales: Not available

Employees: As many as 35 at the downtown store; 10 in Citrus Heights

Shop floor space: 6,000 square feet downtown; 3,000 in Citrus Heights

Years in business: 31 downtown; 15 in Citrus Heights

Emphasis: Road, mountain, hybrids and cruisers

Sacramento, Davis showcase breadth of bicycle market

Diverse. Healthy. Smart. Dynamic. Vital. These are words that kept coming to mind as we visited the various shops on BRAIN's Davis and Sacramento Dealer Tour. From mega store Mike's Bikes to boutique fit specialist IkonCycles; from the 5,000-plus flat repairs per year at Bike Barn on the UC Davis campus to destination outpost Bicycles Plus in Folsom; from testosterone-dripping Davis Wheelworks to no-spandex-here utility/cruiser specialist Practical Cycle in Sacramento—each seemed healthy, intelligently run, dynamic and vital.

The Wippermann- and Fuji-sponsored Dealer Tour was a refreshing reminder of the health of our industry and the brightness of its prospects. Our group of a dozen riders was made up of BRAIN editorial staff, Advanced Sports International's sales and marketing folk, Pat Hus of Interbike, Wippermann export sales manager Martina Röhl and myself. We all rode Fuji carbon road bikes fitted for the tour with Wippermann's Connex 10sG chains.

The breadth of the bicycle market is showcased in this region. The Bicycle Business focuses on dynamo lighting, so much so that they even have a wall-mounted dynamo lighting display behind the register. It's got that great old-school true-believer feel. The Bike Barn feels like a California mission preaching the religion of self-sufficient transportation to a new crop of freshmen each year. Every commuter, racer, triathlete, weekend warrior, tourist,

student, cruiser, e-biker, parent, child and handicapped cyclist can easily find what they need in this market.

And California policy and infrastructure, at least in this area, is so impressively bicycle friendly. Most impressive was the 32-mile American River Bike Trail. Even in the pouring rain on the third day, it was a delightful ride along a peaceful river—a trail linking communities between Sacramento and Folsom with ready access all along the way.

Davis approaches Amsterdam with the sheer number of cyclists using bikes for transit, and it's clear that the city takes every opportunity to promote cycling transportation.

The Dealer Tour was a refresher course on what's great about cycling and how many different opportunities exist for smart and creative retailers to make their mark. Kudos to BRAIN. Thanks for a great tour.

—Tom Petrie, Velimpex Marketing, U.S. sales agent for Wippermann



Davis retailers make bikes accessible to everyone

In all my travels, as both a bike racer and an industry insider, I had never been to Davis. I know, I know—I call myself a cyclist, but I hadn't been to Mecca.

So when finally given the opportunity to visit the renowned California city, what I found reaffirmed my faith in cycling.



The sheer volume of bike traffic in Davis creates an environment of mutual awareness between drivers and cyclists, strengthened by the presence of extensive cycling infrastructure. My favorite moment: Watching a police officer on a bike pull over a cyclist for a traffic violation.

But I wasn't really surprised. I've been to other bike-friendly cities such as Boulder, Portland, Amsterdam and Copenhagen. I've also seen the tremendous progress my home city of Philadelphia has made toward becoming bike friendly.

What I didn't expect, though, was to find so much retail. We visited five different shops within a 1.5 miles radius, one right around the corner from the other, and each of them thriving. Their success begged the question: How can this work?

The secret, I found, reflected my favorite philosophy: "Can't we all just get along?" When you think about it, this simple phrase embodies all that is good about competition and capitalism. If we embrace it, it makes us all better.

In Davis, the shops coexist because they cater to the diverse cycling market. Family bikes, transportation bikes, mountain bikes, race bikes—each category is present, and almost every brand of bicycle in the U.S. is represented somewhere within them.

Here exists a new kind of dealer: the hybrid IBD/SBR (independent bicycle dealer/specialist bicycle retailer). These are independent specialists who both love what they do and represent to the fullest what the bicycle retail landscape is all about: accessibility to everyone.

I have found the Promised Land.

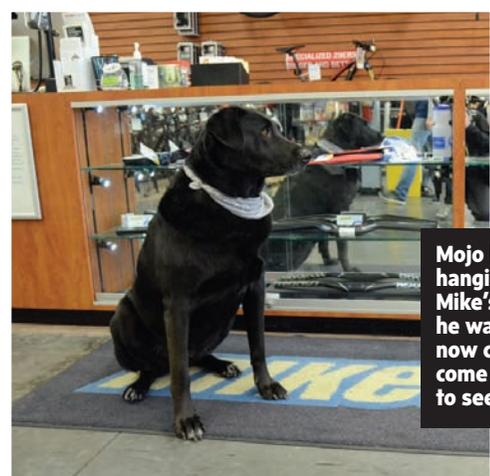
—Karen Bliss, Advanced Sports International

The Davis & Sacramento Dealer Tour kicked off in the platinum-level, bike-friendly community of Davis, where five shops are so close together that they're within walking distance of one another. B&L Bike Shop owner Beth Annon-Loving led a ride around the city at day's end to boost our total mileage from 4 to 16. The second day we rode the American River Trail to downtown Sacramento to stop in on five shops in the urban city center. We ventured to the outlying areas of Folsom and Carmichael on the final day, which was also the wettest and coldest so far this year, retailers said. We tallied 45 miles out and back along the scenic American River Bike Trail.

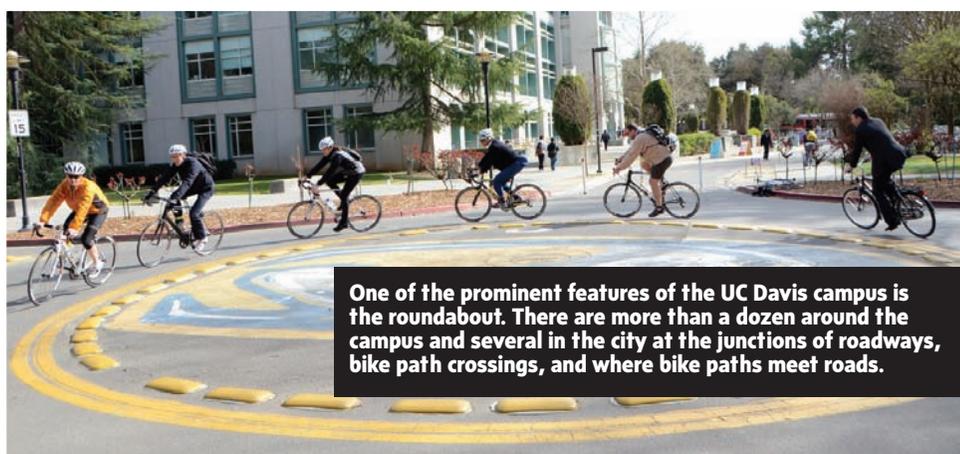
Check out videos from the Dealer Tour at bicycleretailer.com/videos.html.



Our bundled-up crew ready for a soggy day in Sacramento. Many of us stocked up on rain gear at Davis shops the day before.



Mojo has been hanging around Mike's Bikes since he was a pup, and now customers come in regularly to see him.



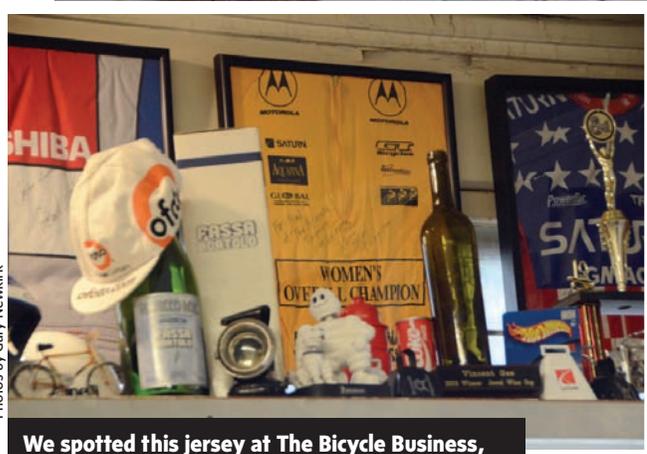
One of the prominent features of the UC Davis campus is the roundabout. There are more than a dozen around the campus and several in the city at the junctions of roadways, bike path crossings, and where bike paths meet roads.



ASI president Pat Cunnane outside of The Bicycle Business. Local painter Sterling Running Stream created the mural on the side of its building featuring Mt. Fuji.



Wippermann's Martina Rohl and Tom Petrie are all smiles even in cold, wet weather.



We spotted this jersey at The Bicycle Business, signed by former pro racer and ASI vice president of marketing Karen Bliss.



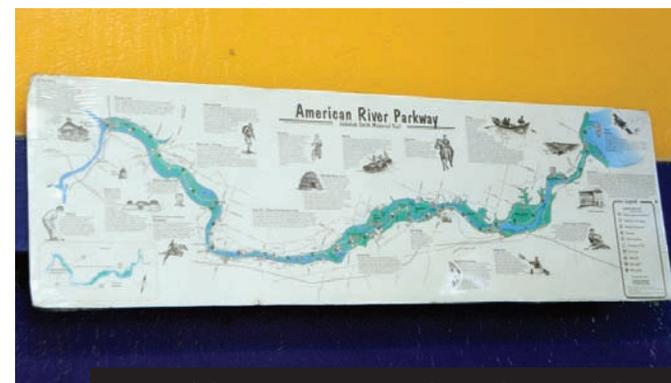
A common sight in Davis, a city where 22 percent of residents are bike commuters



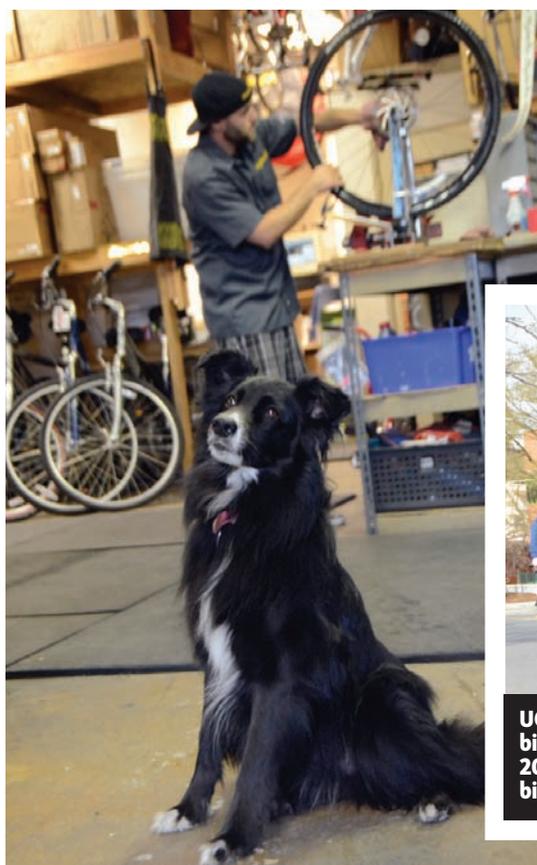
Next to the cash register at Bicycles Plus



B&L Bike Shop's Milo has his own blog. He's also trained to do tricks for treats.



A map of the American River Parkway, the gem of the Sacramento region and boon to bike retailers in the area.



Beck greeted us upon arrival at Bicycles Plus in Folsom



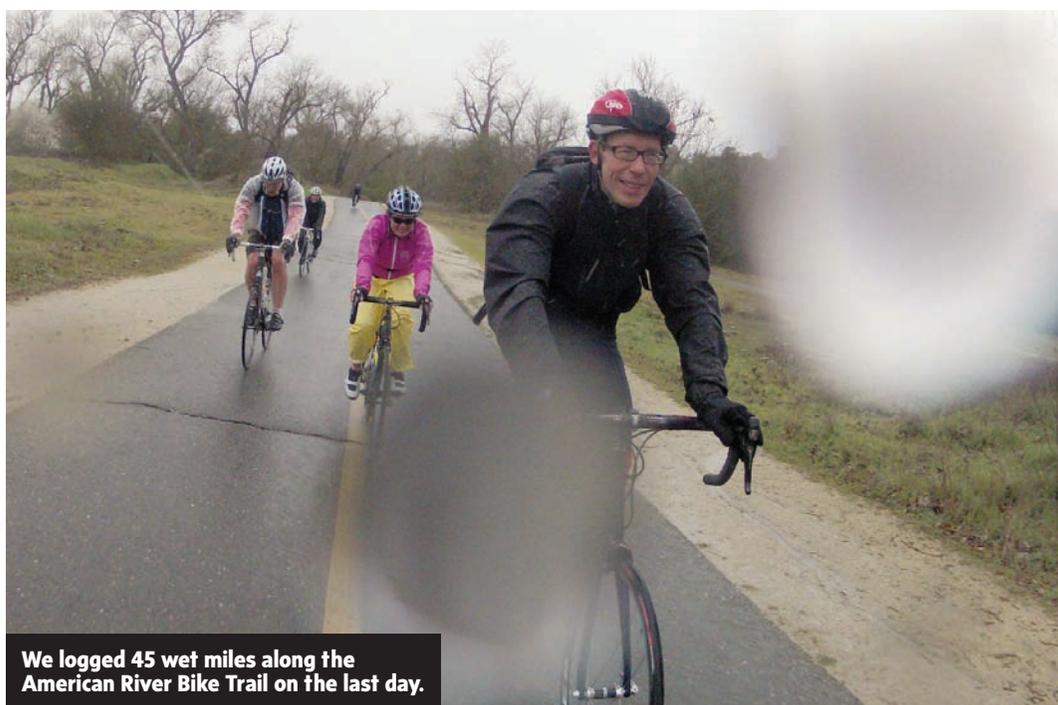
UC Davis' student population is around 30,000, and campus bike shop manager Robert St. Cyr estimates that about 20,000 bikes are on campus on any given day. There's more bike parking than car parking, and bike racks are packed.



A workstand with tools and pump, one of 14 throughout the UC Davis campus



ASI president Pat Cunnane's classy commute attire



We logged 45 wet miles along the American River Bike Trail on the last day.