A Message From JT 10/2/14, 9:45 AM

## A MESSAGE FROM JT EXECUTIVE SALES DIRECTOR

		IBD Only	Direct to consumer	Sport Chalet/Dicks/ Big 5/Mass	REI/EMS	Online retailers	Amazon	Performance
	GIANT	X						
Trek Group	TREK	X						
Trek Group	ELECTRA			x				
	SPECIALIZED		X-GEAR					
Accell Group	RALEIGH							
Accell Group	DIAMONDBACK			<u>x</u>				
Accell Group	Ghost	-			X Exclusive			
Accell Group	Lapierre	?						
Dorel Group	CANNONDALE							
Dorel Group	GT					x	x	×

**OCTOBER 2014** 

## IBD SUSTAINABILITY - WHO'S REALLY WORKING FOR YOU?

I've seen much change over the years as a young man following my passion for racing bikes from the age of 14 to now – 40 plus years. I grew up and cut my teeth at retail while racing my bike, followed that up as I worked for key brands as a sales lead.

As I've weathered this business, it's been a wealth of challenge, joy, passion, fun, and frustration. Most of my frustration comes from the independent environment I love and support 100% -- but have also come to view as often hypocritical.

The way I see things our channel (the IBD) is under attack. We face the mega retailers of REI, Dick's, EMS, and big box; also, direct sales and mail order. A key strategy to save our way of life is to support those who work hard to support the IBD channel.

Think about it, do you support brands that support REI, Dick's, big box, direct sales, or mail order?

I'm going to throw a few punches and kicks, so bear with me. Who does work hard to support the IBD???

**Distribution strategy:** (Download a quick spreadsheet **here**, and then click on the red **X's**. **Please have fun with the provided hyperlinks!**)

Specialized sells direct to your consumer via Specialized.com.

Electra sells to a very diverse channel.

Dorel / Cannondale, GT, Schwinn, etc... supports REI, EMS, and big box.

Accell / Raleigh, Diamondback, Ghost, Lapierre are diversified. They cover it all – REI, Dick's, mail order.

Advanced Sports / Fuji, Kestrel, Breezer also covers it all. Amazon anyone?

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Scott at REI and Ski retailers.

Santa Cruz, Pivot, Yeti, Devinci, Niner, Focus, Orbea, BH, Cervelo all sell via mail order.

Italian brands, who doesn't do the mail order dance?

Accessory brands; distribution discipline – NOT!

## Rage:

Every time an IBD buys one of these products, a portion of that profit goes to aid these alternative distribution channels at REI, Dick's, big box, direct sales, or mail order. *Help* your competition? *Do you think that's a wise move?* IBD's who support these diversified distribution strategies and brands just don't get it.

The Giant IBD channel must force these brands out of the key position at retail. Otherwise, our IBD channel supports one of our greatest threats. You, Mr. and Mrs. IBD retailer, make the call: live with it or make change. There are select brands that exclusively support IBD. You can stop whining and put your purchase dollars where your heart and mouth are. Or, you can just stay quiet, and compete within the environment you as retailers have empowered.

You have a choice. You have the power to make a great store. You have options to support brands who have distribution discipline. It's time to take a stand!

Be brave!

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