

Miami Dealer Tour



International tourists drive high-end market

By Lynette Carpiet

Miami is home to large populations of immigrants from the Caribbean and Central and South America, many of whom have opened bike shops there and cater to the growing number of tourists and shoppers who hail from Brazil, Argentina and Venezuela, as well as the city's burgeoning Latin community.

Jesus Rivero, part owner of UltrabikeX, moved to Miami from Venezuela four years ago to open his shop on Key Biscayne. He said 60 percent of customers are from Venezuela, Colombia, Brazil, Argentina and Peru. A good number of Latin American celebrities and wealthy residents from those countries

own second homes in the Florida Keys and will frequent his store.

For Rivero, and a majority of the Miami retailers visited during the Dealer Tour, sales to international tourists are the lifeblood of their businesses. "That's who supports us," said Joan Lee, who owns Cycle World with her husband, Owen. "Local riders don't support local shops. The bike companies target our market because it's a rich market. Rich people come from all over the world here to shop. But we have to find ways to get local customers, too. We can't depend on the international business."

Retailers in Miami have come to rely on spending by foreigners. Restrictions and high duties on imports to certain Latin American

nations are driving the boom. Brazil, which has the highest duties and tax rates, is the most affected. For example, an entry-level mountain bike that would typically retail for \$375 in a U.S. shop would cost a Brazilian consumer \$1,300. On a \$3,000 carbon road model, the price escalates to \$15,000. At those prices, consumers can afford to fly in, buy a bike, sightsee, ride around to use the product they purchase and fly back with goods in tow. And many do.

Though difficult to pinpoint just how many bikes skirt these high duties, one industry expert estimated that nearly 30 percent of products going into Brazil or Argentina are

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Tourists

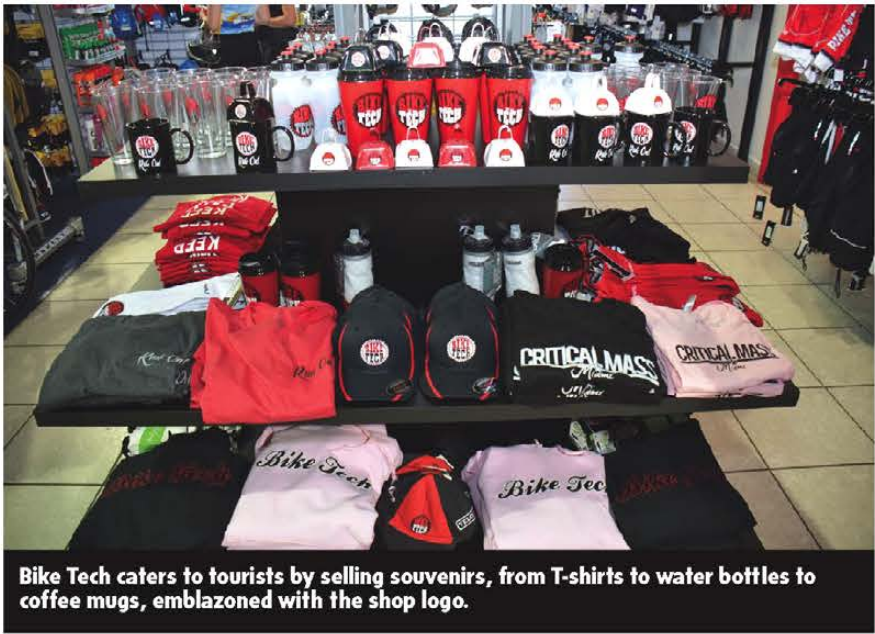
smuggled, either by tourists who bring them back in their luggage or retailers or other exporters that ship them.

“Brazilians in the bike business will tell you that the formal [i.e.: legal] high-end bike market nearly does not exist in the country. Most bikes above a certain price point are bought overseas,” said David Anker, director of international sales for Advanced Sports International. “Many of the high-end bikes that you do find in Brazilian shops are imported irregularly, meaning that they are effectively contraband as some corner was cut when imported.”

On top of high duties, in Argentina and Venezuela mounting requirements and red tape on imports of bikes and other products hamper domestic availability.

“While the duty and tax rate in Argentina is quite high, this is not the main problem,” Anker noted. “Argentina established new laws which in February 2012 made importation to that country nearly impossible. This makes a huge array of consumer goods very hard to find in the local market.”

So consumers travel to Miami—and other major U.S. cities—to shop, or turn to the Internet. While brand dealer agreements forbid brick-and-mortar shops from shipping product overseas, and Miami retailers deny engaging in such practices, it’s a commonly fielded request. Companies such as Specialized have shuttered retailers caught selling



Bike Tech caters to tourists by selling souvenirs, from T-shirts to water bottles to coffee mugs, emblazoned with the shop logo.

product for resale overseas or shipping product abroad.

“We don’t do it,” said Mary Jane Mark, owner of Mack Cycle & Fitness, about shipping internationally. “But we get inquiries all the time. It’s pretty big. It’s way bigger than you think it is.”

Governments in Argentina and Venezuela have passed restrictions on consumer spending online and when traveling abroad. Argentina has limited the amount of tax-free spending on international websites to \$25 a year (50 percent tax above that limit) and requires consumers to submit a sworn declaration to customs before receiving shipments. It also has levied a 35 percent surcharge on goods and services purchased overseas

with a credit card.

Meanwhile, Venezuela is limiting the dollar amounts travelers can charge on credit cards when going to Florida, as well as what they can purchase in cash. It also reduced the amount Venezuelans are allowed to spend annually on Internet purchases from overseas vendors.

All are efforts to curtail cross-border commerce and prevent currency from leaving those nations.

But suppliers don’t forbid dealers from selling bikes to customers who walk into a store or visit a shop’s booth at a race. And Miami retailers have benefited and adapted to this market dynamic. They employ multicultural staff who speak Spanish or Portuguese. They

also maintain large inventories of bikes, accessories and soft goods because to make the sale to vacationers, they must have the product in stock. Tourists often shop during trips to compete in local triathlons or marathons.

Races, including the Miami Ironman 70.3, are major attractions. About 30 percent of racers in the half-distance Ironman hail from South America. Brazil (492), Mexico (193), Argentina (143), Venezuela (71) and Colombia (70) are the top five Latin American countries as far as race registrants, according to Daniela Merchan-Gagliardi, who handles athlete services for the Miami Ironman 70.3.

The race makes October the busiest month for Miami retailers. Race week is the best week all year for All4CyclingUSA. “You can’t fit the number of people who come into our midtown Miami store,” said Pedro Navarro, one of three business partners from Venezuela who launched the business in 2009. “Triathlon is growing in South America like crazy. And right now, the biggest events in Miami are triathlons.”

Recognizing the opportunity, retailers set up tents at race expos to cash in. “At the two-day expo at the last half Ironman, we did more than some shops probably do in a year,” said Mario Aponte of Mack Cycle & Fitness. “People carry \$1,000 worth of wheels around. They have that buying-spree mentality. They’re here on tourism, and all specialty stores benefit, not just bikes. Years ago it was the Venezuelans. Right now, it’s Brazilians. They’re totally driving the high-end market.” **BRAIN**

Region makes gains shoring up cycling infrastructure

By Steve Frothingham

Despite the welcome scarcity of rain, hills and chills (and even flat tires), the BRAIN Dealer Tour of Miami involved some of the more challenging riding presented by any city we’ve visited. That’s because in several instances we had to bring our group down some nerve-rackingly busy boulevards with little or no shoulder. Thankfully there were no incidents or even close calls.

A 2009 study by Transportation for America and the Surface Transportation Policy Partnership put four Florida metro areas at the top of the list of the most dangerous areas in the U.S. to walk or bike. The Miami area was fourth, behind Orlando, Tampa and Jacksonville.

Despite the climate on the roads, Miami has an active road, tri and mountain bike scene. Most of the shops we visited had impressive inventories of high-end bikes. Although many of those bikes are purchased by foreign tourists, many are ridden in Miami, too. Mountain biking got a big boost with the recent addition

of 9 miles of trails at Virginia Key, which supplemented the 14 miles of trails in nearby Oleta State Park. The Virginia Key trails, which are very close to the city on the way to Key Biscayne, were spearheaded by Mary Jane Mark of Mack Cycle & Fitness.

Several active riders we met on our tour said they rode very early in the morning, to avoid both the heat and the traffic, and we saw a handful of serious road and triathlon riders every morning. Other serious riders train indoors—in their homes or at training studios like the ones we saw at UltrabikeX and Pro Cycling and Fitness. They head north on weekends for longer rides and races.

We saw very few transportation or commuting bikes on the roads and paths or at the shops we visited. Getting around town by bike is simply not very easy, in part because the city grew up in the 20th century as a tourist destination, not a traditional city with residential and business areas and arteries connecting them.

Miami was ranked 42nd out of 51

cities for biking and walking fatality risk in the The Alliance for Biking & Walking’s 2012 Benchmarking Report. However, the same report put Miami near the top of the list (fourth out of 50) for per capita spending on bicycling and pedestrian facilities and programs.

“Over the last five years, 66 miles of bike lanes and 24 miles of multi-use paths have been built or improved,” in Miami-Dade County, according to the county’s David Henderson, who joined our Dealer Tour for a dinner at J&B Importers. Henderson said the area is slowly moving in the right direction for bike facilities. The county currently has a total of 360 miles of bike lanes, paved paths, paved shoulders and roads with



Mack Cycle & Fitness spearheaded the development of nine miles of trails on Virginia Key.

wide curb lanes, he said.

Bike advocates in Florida are also encouraged by the progress of legislation that would close a loophole that encouraged drunk drivers to leave the scene of an accident, which contributed to a rash of fatal hit-and-runs. The Aaron Cohen legislation is named for a cyclist who died after a hit-and-run in Miami. The bill has passed a critical state Senate committee and appears headed to the full Senate for a vote soon. **BRAIN**

Community, events fuel thriving triathlon scene

By Val Vanderpool

When it comes to racing, triathlon is king in Miami. With a welcoming community, warm weather and events every month of the year, South Florida is veritable multi-sport mecca. According to USA Triathlon, Florida had the highest number of triathlon races in the U.S. in 2012, with 30 more races than second-place Texas.

Retailer, race director and triathlete Andre Quirino, who owns specialty tri shop Pro Cycling and Fitness, said that as someone who has watched the tri scene evolve over the years, he's still amazed that events continue to sell out in Miami—even as more are added. "Our local series started with three races, and now it's up to five and sells out," he said. "Over 1,000 racers will show up, and most will race the entire series."

But Quirino also said that what sets Miami apart when it comes to triathlon isn't just the sheer number of events—it's the number of people in South Florida willing to pay to race them. "A sprint triathlon will cost up to \$140 in entry fees alone," he said. "So you have to have money to race triathlon, and the money flows here."

Becoming a triathlete is almost a rite of passage for active Miamians. Runners and cyclists often become triathletes by proxy in South Florida, partly because a lack of topography, hot and windy weather and dangerous roadways create a trifecta of conditions that make diversification appealing to athletes.

"There is not a pure cycling race scene here," said Mickey Witte, a com-

petitive triathlete who also owns see-me-in-the-dark.com, a custom reflective-wear company. "Tri offers a variety, to break the monotony of flat terrain here in South Florida. Honestly, triathlon kind of overshadows everything here."

Beginners flock to the sport via charity events and group rides and go on to become serious competitors. "I think most people stick with it," said Rachel Losada, triathlete and soft goods manager at Mack Cycle & Fitness. "A lot of people who try a triathlon for the first time are staying with the sport."

A former competitive runner, Witte did her first triathlon as a charity event for a good cause and is now fully immersed in the sport. "You can't live here and not be involved in multi-sport," said Witte. "The climate makes it possible. But it's also the people. They are happy, friendly and having a blast out there, so it's a fun environment. It's a great place to be a triathlete."

Event sponsorship has helped Mack Cycle & Fitness build its triathlon customer base. Losada said that when the Mack name is associated with a race, it has cachet.

"Partnership with events and races is a huge reason for the success of our tri market," she said. "Events bring people in, whether they are training and looking for a group ride or saw us out at a race. It's how we build community."

Races and events also attract tourists, particularly from Latin America, who come not only to compete, but also to stock up on gear due to lower prices and greater availability in the U.S.

"The first year of the Ironman 70.3



The Mack Cycle & Fitness team at a Trilogy Triathlon Series race, for which Mack is the title sponsor

[a half-distance Ironman] in Miami, the expo alone outsold any other race expo. It was nuts," said Quirino. "Some vendors—us included—sold over \$100,000 in goods in three days. So as a retailer here, you don't miss those events. They pay the bills."

But even though triathletes are so often gear-obsessed and willing to spend money, the business of triathlon in Miami can be tricky for specialty retailers. Triathletes are also notorious for shopping online, so getting locals in the door comes down to offering other services like computraining sessions, coaching, bike fitting and clinics.

"They want your expertise," said Quirino, who also operates a successful online tri store. "They will come in for that. And they often change their mind and make the purchase in the store."

For suppliers, tri-related sales in South Florida are strong—even without a substantial online presence like some

other dominant tri markets have.

"There's no big player like Nytro there, like SoCal has, but there is a legit local market," said Pat Cunnane, president and CEO of Advanced Sports International, which owns Fuji, Kestrel and Oval Concepts, whose components include an aero line. "And Miami really has the advantage of this extra market that wants expertise in Spanish or Portuguese, which the shops there have. We sell a lot of tri bikes in that market, and it's strong."

Even so, Quirino, also a former road racer, said he's investing more into road bikes, and is considering bringing in mountain bikes because more people are asking for them.

"Tri is strong right now, but you just never know," he said. "Like road bikes did in the days of Lance, tri could be close to its peak. So it makes sense to think about the future and get involved in other communities too." **BRAIN**

Bell's Bicycles

Employees: 4
Sales floor space: 4,000 square feet including storage area
Years in business: 20; 1 under current ownership
Emphasis: Family, road, mountain
Main brands: Fuji, Raleigh, Jamis
Owners: Larry Silverman, Martin Burkett, Edlun Gault (also manager)

Bell's Bicycles has served North Miami for more than 20 years. Because it's located outside of the primary bike shop zone, a little bit of everything can be found at Bell's.

Service is the shop's mainstay, and owner/manager Edlun Gault said the number of people turning to cycling for fitness and transportation is growing. "We see more people in here every day who have pulled their clunkers out of the garage and want to fix them up," he said.



Bell's Bicycles caters to all skill levels.

"And we don't turn anyone away. We are all about fixing rather than replacing when possible."

Economics also come into play. Many of Bell's customers are commuters who do so out of necessity, and keeping



Owner/manager Edlun Gault

their bike running keeps them coming back. "These are people who live around here, who depend on their bikes for transportation," Gault said. "They can't necessarily afford a new bike, so we are here to help them keep their current bike going until they can."

"You're creating a customer," he added. "So in many ways, this is the foundation of our business."

But Bell's also serves a healthy high-

end road community and performs a good number of bike fits per year. Several group rides leave the shop per week, and 40 to 50 roadies show up for the Saturday ride.

Gault has worked in the bike industry since he was 10 years old. He started hanging around a hardware store that also sold bikes, and learned how to build wheels. He's worked in a number of shops around Miami over the years and took over Bell's one year ago with two partners.

Extensive remodel plans are in the works, and Gault hopes to offer clinics in the future. "I think education is critical to the growth of the shop and the industry," he said.

A priority for Gault and his staff is educating the consumer, with a focus on bike fit and how to get the best value for their dollar. "We aren't going to sell someone the wrong-sized bike because it's there," he said. "We don't oversell. You have to be honest, and honesty always pays off." **BRAIN**

Miami Dealer Tour

Swim Bike & Run

Employees: 4
Sales floor space: 1,500 square feet
Years in business: 4
Emphasis: Triathlon
Main brands: Fuji, Felt, Orbea, Kestrel, BH
Owners: 7 investors; Francisco Guzman is manager and head coach

Swim Bike & Run is located between two of Miami's biggest and oldest bike shops, in what manager Francisco Guzman said is the city's "area of bike shops."
"There are so many bike shops around us, it's a challenge, for sure," said

Guzman. "The rent is high and it's a very competitive market, even though triathlon is growing here."
Swim Bike & Run is a dedicated triathlon shop that serves all levels of athletes. Because the area is so saturated, Guzman said that the shop has had a hard time bringing in brands because they are already spoken for.
Guzman, a certified coach with more than 13 years' experience, said the store's primary focus is service. Bike fittings and coaching account for nearly half of Swim Bike & Run's business, and it's a way to compete in a fierce market.
"We attract athletes by word-of-mouth," he said. "We have a lot of experience and like to help people—and the word gets out." A pro female triathlete from Mexico is expected to join the coaching staff soon, which Guzman hopes will help bring more women into the store.
Around 60 percent of Swim Bike & Run's customers hail from Latin America, where cycling gear can cost up to three times more than in the U.S., with Brazilians making up the majority. Located near Miami International Airport, the store is among many where shoppers stock up before flying home—both a boon and a bane to Guzman's business.
"They are always in a hurry, and if you don't have the product in stock, they'll just go across the street or around the corner," he said. "It's tough to have everything, and we do our best. But in the end, we put a lot of our effort on service." **BRAIN**



Manager and coach Francisco Guzman

All4Cycling USA

Employees: 6 at Coral Gables store; 20 total for all stores
Sales floor space: 2,800 (Coral Gables); two others are 3,100 (Midtown) and 1,800 (boutique). Fourth store with 4,500 of retail space and a 3,500-square-foot warehouse to open soon.
Years in business: 5
Emphasis: Full-service shop with wide range of road, mountain and triathlon bikes
Main brands: Trek, Felt, Santa Cruz, BMC (brands and selection vary by location)
Owners: Juan Zambrano, Pedro Navarro, Paco Rodriguez



The 2,800-square-foot Coral Gables store

All4Cycling USA is Miami's fastest-growing specialty bike shop—with three stores and a fourth set to open soon in Kendall, southwest of Miami. The three business partners, who hail from Venezuela, opened their first store in 2009 in midtown Miami and are quick-

ly expanding their retail empire through a combination of acquisition of existing stores and establishment of new locations.
Their Coral Gables store visited during the BRAIN Dealer Tour is across from the University of Miami and caters to the nearby student population with midrange mountain, road and hybrid bikes. The partners acquired it from RB Cycles. Their midtown Miami store handles quite a bit of fitting and draws in tourist business, while the third store purchased two months ago is a boutique that offers fitting and carries more high-end product. Between all three

locations they stock a mix of bikes ranging from \$300 to \$10,000, and a wide assortment of accessories and clothing.
In the saturated Miami market, co-owners Juan Zambrano and Pedro Navarro believe that growing their scale is the way to survive. "So many shops are opening, the small guys are going to disappear. The strong guys, the larger shops, will stay in business," said Navarro. "It's happening already."
Zambrano and Navarro, both 39 years old, grew up together since age 7 and studied engineering. Before going into bike retail, they both worked in the construction/renovation industry in Miami. When the housing market stalled during the economic downturn in 2008, they acted on their friend Paco Rodriguez's suggestion of opening a shop. Rodriguez owned a shop in Venezuela, where he still lives and runs another business.
"We come from the corporate world," said Zambrano, adding that he and Navarro were soccer players at heart, but also enjoyed mountain biking in Venezuela. "It was a big change but a big blessing." **BRAIN**

Mangrove Cycles

Employees: 2 full-time, 1 part-time
Sales floor space: 1,000 square feet
Years in business: 41
Emphasis: Rentals; sport comfort and kids' bikes
Main brands: Raleigh, Jamis
Owner: Bill Durham



Customers who rent bikes to ride Key Biscayne's beach paths keep the shop busy.

Bill Durham began repairing bikes out of an empty lot in the back of a gas station in 1973. A lanky, bearded philosophy student at the University of Miami, Durham lured his girlfriend at the time—a 19-year-old island girl—to go into business with him. It was a way to earn cash for the weekend and he also loved interacting with people, Durham recalled. "There were only five bike shops in South Miami. Cycling hadn't taken off," he said.

Forty-one years and two store moves later, Durham, who at one point promoted a major road race in the area, now focuses on getting families on bikes—whether that means buying one from him or renting one from his expansive fleet to ride along the beach paths of Key Biscayne. "We let the other shops do the racing bikes; we handle the family business," Durham said. "This is a great place to bike, probably the best in Florida," he added, pointing to the bike paths and



Bill Durham was a road race promoter and triathlete before switching gears and catering to families.

trails looping the island on a map.
Colorful Jamis Earth and Hudson cruisers are lined up along his narrow shop in The Square Plaza, where Mangrove has been since 1985. The Rickenbacker Causeway, "the tallest hill" connecting Miami to Key Biscayne, gains

about 85 feet in elevation, so single- or three-speed bikes are suitable for riding just about anywhere. Weekends are busy for rentals. Aside from bikes, Durham rents helmets, child seats, child trailers and tag-alongs, which can be taken for two hours, a day, a weekend or a full week, at reasonable rates.
Durham also moves quite a few Raleigh Venture 4.0 models. That sport comfort bike category is his shop's mainstay. Durham said his revenue is split into even thirds among rentals, repairs and sales of bikes and accessories. Unlike many other Miami shops that depend on sales to tourists, most of Mangrove's sales are to locals.
Despite the growing competition from other shops and a sluggish economy, Durham remains hopeful about the future of his business. "People still seem to be craving health and fitness," he said. "The economy has been bad, but families are still looking for wholesome activities to do together." **BRAIN**

Miami Dealer Tour

Cycle World

Employees: 16
Sales floor space: 5,000 square feet; 10,000 total with warehouse
Years in business: 34
Emphasis: Family bike store offering wide selection of brands and products
Main brands: Trek, Giant, Cervélo, Electra, Redline
Owners: Joan and Owen Lee

If Cycle World Miami feels like a place of worship for cyclists, it's not just because of the high-end Trek and Cervélo road bikes on the floor. Joan and Owen Lee three years ago purchased and renovated a building that had been a church and school. The retail floor occupies what previously was the church sanctuary. In order to meet the city's required ratio of parking spots to retail space, the Lees removed 3,000 square feet from

the back of the building. The renovated building still has nearly 18,000 square feet of combined retail, storage and office space. In addition to 72 parking spots for easy customer access, the Bird Road location is desirable because of its situation on a main thoroughfare near the highway and airport. The Lees, both originally from Jamaica, spent many years accumulating capital to purchase their own building. Joan Lee noted that when they opened the store 34 years ago, bike retail was a less profitable business, but it was easier to enter without much capital. Still, she said, new bike shops are constantly popping up in Miami as many foreigners can finance them. Lee said what sets Cycle World apart is offering a wide selection of bikes as well as accessories and apparel for men and women. "We don't want to just have one brand; we want to have five different brands so when a customer comes in they have a choice," said Lee. "We want



Owners Owen and Joan Lee

them to say this is like a candy store." Selection is important for Miami locals who want instant gratification and will turn to the Internet if something is not in stock in the right size or color. "People want what they want now," she said. Having inventory on hand also serves tourists from South America. Sixty percent of Cycle World customers are from outside the United States. Miami is

a shopping mecca for the Caribbean and South America, and high import duties on bikes to many Latin American countries such as Brazil make it cost-effective for visitors to purchase and bring bikes back with them. "You have to have a tremendous amount of product available right away because they're not coming back," said Lee. **BRAIN**

South Miami Bike Shop

Employees: 4
Sales floor space: 1,700 square feet
Time in business: 6 months
Emphasis: Family store
Main brands: Fuji, Litespeed, GT, Orbea
Owner: Roslan Rivera



South Miami Bike Shop opened six months ago in a one-time gas station building.

South Miami Bike Shop has only been in business for about six months, but it's building on a long legacy in the community. Its unique stand-alone building that was once a gas station has housed a bike shop for 30 years. A decade ago, it was one of

the best shops in town and a large Trek dealer. Roslan Rivera, a young Cubano

who previously owned a trucking company, knew the store's previous owner from racing locally. He purchased the store, completely gutted it and renovated it. He now runs it with his cousin. "I saw the opportunity and jumped on it. I knew if you put work in, restored it and organized it, it would be back," said Rivera.

Rivera said one challenge was getting bike and product lines without previous credit history. Though he sells Litespeed, Orbea and Fuji road bikes, the shop's bread and butter is quickly becoming hybrid bikes like the Fuji Crosstown for locals who just want something to ride around town or on the M-path bike trail behind the shop. "We don't focus on the high end; we focus on what people want to ride," Rivera said. South Miami Bike Shop also does a lot of service, thanks to the reputation of Usmanis "Manny" Barrientos Gil. He was once a member of Cuba's national team and then was Cuba's national team mechanic for decades before immigrating to the U.S. in 2001. Now 69, Gil has worked for three owners at the store. **BRAIN**

Miami Beach Bicycle Center

Employees: 5
Sales floor space: 1,500 square feet
Years in business: 37
Emphasis: Family-oriented, full-service shop
Main brands: Scott, Cannondale, Trek
Owner: Jack Ruiz

Jack Ruiz grew up in the business, opening Miami Beach Bicycle Center when he was 19 years old. Today he works alongside his sons Danny and Alex, whom he's priming to take over the family business. Ruiz says most of sales are kids' bikes, cruisers, hybrids and midrange bikes to families. He also sells custom bikes through Trek's Project

One. Despite his store's location in South Beach, rentals are only about 5 percent of total sales. His 1,500-square-foot store on Fifth Street is bursting at the seams with bikes and accessories, leaving a narrow walkway through the center. He points proudly to a mezzanine he built for storage. He keeps more inventory in an off-site facility. The business has outgrown the space, where he moved into in 1995. "But space is expensive and hard to find," Ruiz said. The cost of real estate is particularly high in South Beach, ranging from \$100 to as high as \$300 per square foot on glitzy Lincoln Road, just a few blocks from his store, Ruiz said. While his shop has a local following, Ruiz, a Cuban-born American, said many of his sales are to Brazilians, Venezuelans and Argentinians who shop while on vacation, although he said fewer Argentinians are purchasing lately



Jack Ruiz hopes to keep the business in the family with sons Danny and Alex taking over the shop.

because of exchange rates and the deteriorating economy. Some are willing to drop \$4,000 to \$5,000 on a bike on their way to the airport. Keeping the store stocked is key to making the sale.

"Miami is a tough market," Ruiz said. "Manufacturers don't understand. You couldn't survive if you don't sell to tourists who come from South America. And here you have to have it in stock because if you don't, you don't make the sale. They're leaving town tomorrow." When tourism dropped following the Sept. 11 terrorist attacks, Ruiz reached out to his local community. He organized a police-escorted ride that draws anywhere from 80 to 100 riders every second Saturday of the month. The 16-mile ride goes through scenic Collins Avenue, dotted with art deco hotels and high-end clothing stores. "It took a lot of hard work [to get the ride off the ground]. But I've seen riders abandon our ride to become true road riders," Ruiz said. "However, they started with me." **BRAIN**

Miami Dealer Tour

Mack Cycle & Fitness

Employees: About 25
Sales floor space: 4,000 square feet
Years in business: 57
Emphasis: Family to upper-end road, triathlon and mountain bikes
Main brands: Giant, Cannondale, Specialized, Pinarello, Quintana Roo, SE, Electra
Owner: Mary Jane Mark

Mack Cycle & Fitness is a Miami institution and landmark—and almost certainly the highest-grossing single-location retailer in the Miami market (although some multi-store chains might have higher total sales).

The 57-year-old business still has a bright red neon Schwinn sign visible



The store no longer sells Schwinn.

from busy nearby U.S. Route 1. Mack Cycle was the second Schwinn “concept” store in the country, and although the store hasn’t sold Schwinn for years, the sign cements the location’s landmark status. Besides, storeowner Mary Jane Mark said the sign is grandfathered in by local regulations and if she removed it, the city would likely not allow her to replace it.

Anywhere the BRAIN Dealer Tour crew went in the Miami bike scene, a reference to “Mary Jane” was instantly understood; there’s even a mountain bike trail named for her. The second-generation retailer has kept the store vital and growing and she plans to pass it on to her daughters in even better shape than when she took it over from her father 30 years ago.

Mack Cycle is known for holding several large sales each season, and for selling and promoting the store at any and all local events and even at the nearby University of Miami campus. Mark said she rarely turns down an opportunity to support a local cycling or charity event; the store has a full-time events coordinator, Sue Kawalerski, who helped guide the BRAIN Dealer Tour around the city.

Mark also is known within the industry as a sharp buyer, and her store typically has several wire bins full of closeout clothes and accessories near the entrance. During our visit, one of the

bins was full of \$20 triathlon race suits. Mark said she is “a compulsive buyer” and lamented that the store is not big enough to hold all the inventory she’d like to display.

Mark has a long-term perspective on the industry, her market and retailing. She misses the relationship that her store had with Schwinn back in the day, but said she learned lessons from Schwinn that still influence the way she treats customers.

“Schwinn treated its dealers very well in the ’70s. I don’t want to say anything bad about my suppliers, but there just isn’t that kind of relationship anymore; it’s a different world. But I did learn that if you treat your customers right, they’ll come back. If you take time and patience, it’s just worth it in the long run.” **BRAIN**

To watch a video interview with Mack Cycling & Fitness owner Mary Jane Mark, go to http://youtu.be/RQr3r_1SiF8.

Fritz’s Skate Bike & Surf

Employees: 12-15
Total shop space: 5,755 square feet
Years in Business: 27; current ownership since 1999
Emphasis: Surf/beach lifestyle, cruisers and folding bikes.
Brands: Electra, Giant, Dahon, Origin8, Sun
Owners: Mitch Wentworth, Gerald Bendheim

Fritz’s Skate Bike & Surf lives up to its name, serving the beach culture with roughly equal portions of bike, watersports and skateboard/inline skate gear. While the store has toyed with offering upper-end bikes—it even sold custom Seven bikes for a time—it’s now



Cruisers are ideal for South Beach’s flat terrain.

retreated into offering mostly cruisers and some folding bikes (to serve Miami’s yachting set).

Co-owner Mitch Wentworth said despite their high incomes, many beach dwellers steer clear of expensive bikes because of a high theft rate in the area.

And he said selling high-end bikes required a focus and commitment that was not compatible with the rest of the store.

For years, Fritz’s was located on Miami Beach’s Lincoln Road walking mall, but was driven out by high rent when Lincoln Road went more upscale a few years back. Now a few blocks away, Fritz’s retains a strong beach vibe, with rocking

music and action videos complementing the bikinis, sandals and GoPro displays.

Wentworth has a bit of the manner of a matured Jeff Spicoli, the stoner surfer dude from Fast Times at Ridgemont High, but he considers himself a retail professional and claims to have little

personal passion for the products and activities offered up by the store. (His personal passion is skydiving.)

“I’m not passionate about these sports; you have to be able to apply a business sense to what you are doing,” he said. He said he’s constantly looking to maximize sales per square foot and admits he has a rebellious streak when it comes to heavyhanded suppliers.

“I have my own way of doing things and I don’t like to be jerked around. If someone comes in here and starts telling me their brand needs a certain amount of floor space or something, I just don’t react well to that kind of thing,” he said. **BRAIN**

To watch a video interview with Fritz’s co-owner Mitch Wentworth, go to <http://youtu.be/bhmSTmwmg-Y>.

No Boundaries Sport

Employees: About 10
Sales floor space: 1,500 square feet
Years in business: Store opened in 1989, but began selling bikes about four years ago.
Emphasis: Serves outdoor enthusiasts and upscale professionals with road and mountain bikes, fixies and cruisers
Brands: Scott, Colnago, Electra
Owner: Nicola Stasi

No Boundaries Sport owner Nicola Stasi grew up in a retail family—his mother once ran a jewelry store in Venice, Italy. Although Stasi didn’t start selling bikes until about four years ago, he takes pride and joy in retailing, and that includes everything from merchandising to community involvement to customer service and sav-

vy buying and pricing strategies.

No Boundaries began as an outdoor sports retailer, but Stasi, who is always on the lookout for deals on retail displays and inventory, got into the bike market after purchasing some inventory and tooling from the bankrupt Boston Ski Market chain. Now, bikes cover most of the floor (and ceilings) of No Boundaries, although the store still sells outdoor clothing and running gear.

The store is located a block off Coral Gables’ Miracle Mile upscale shopping district, where rents are high, so Stasi makes use of every square inch to display and store inventory. It’s a crowded—but not cluttered—sales floor. The Dealer Tour crew was impressed by Stasi’s creative and attractive use of up-cycled materials for displays, counters and storage. The store’s slat wall came from a closed Blockbuster video location. The service area door is from an old school bus. The tin wall covering above a shoe display was once a set of hurricane shutters. Old



Nicola Stasi

chainrings serve as shoe display shelves, and a former city street sign adds character. Stasi said he eschews manufacturers’ POP displays, preferring to make his own.

The store has quickly established itself in the Miami market, which Stasi called “saturated.” He has continued to buy sharply, saying he has taken advan-



Outdoor products command a good portion of the show floor

tage of surplus inventory on the supplier side in recent seasons to maintain bike margins while offering competitive retail pricing. **BRAIN**

Miami Dealers Tour

UltrabikeX

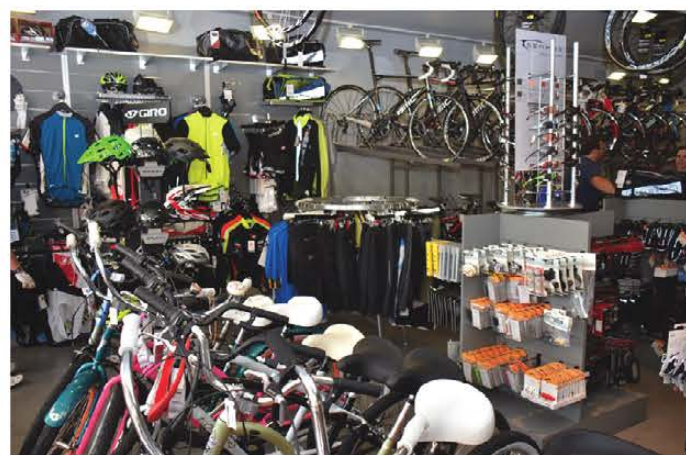
Employees: 6
Sales floor space: 2,000 square feet
Years in business: 3
Emphasis: Triathlon, road, mountain
Main brands: Giant, BMC, Niner, Electra
Owners: Jesus Rivero, Gilberto Gonzales

With a prime location in the epicenter of Miami's triathlon scene on Key Biscayne, multi-sport retailer UltrabikeX is the only shop in the city that caters to Xterra enthusiasts.

"Key Biscayne is a paradise," said Jesus Rivero, co-owner of UltrabikeX. "You can live, work and train for all three sports here—on and off road."

UltrabikeX is the title sponsor of Xterra Key Biscayne, one of two off-road triathlons in the region. According to Rivero, there is a lot of crossover into Xterra for triathletes who want to try something new, and the sport is becoming more popular in Miami.

But UltrabikeX also serves traditional triathletes, who make up around 40 percent of the shop's clientele. Road and mountain customers make up the rest. High-end mountain and road bikes are available for rent, capturing out-of-town riders who visit Key Biscayne to



UltrabikeX caters to triathletes but sells an array of bikes and gear.



An athlete spins on a Computrainer at UltrabikeX Studio.

take advantage of its mountain bike trail network and enjoy safe riding on Miami's most developed cycling infrastructure.

With the addition of a dedicated bike fit and computraining studio next door a year ago, UltrabikeX has also carved out a niche serving top-level athletes. Rivero said diversifying services has bolstered the shop's revenue by a significant amount. "It was a good move to open the studio," he said. "With so many bike shops in Miami, having these other services has helped set us apart."

Andreas Heuser, a Retül-certified bike fitter and coach, manages the tidy UltrabikeX Studio, which features several Computrainers available for rent. Indoor

training may seem counterintuitive in sunny southern Florida, but Heuser said it's the lack of topography that draws athletes to train in the studio.

"There are no hills here," he said. "So we have just about every Ironman course available on the computer. People can come in and get in a really hard four- to five-hour hill workout—something they can't do outside."

Because he also offers custom high-end bike builds, Heuser said that new customers often end up going through the entire process from new bike to coaching with him. "They get hooked. Once they have a really nice bike that fits them well, they come and regularly put

in their time training here in the 'Pain Cave,'" he said.

Like many shops in Miami, around 60 percent of UltrabikeX's clientele are visitors from Latin America. Rivero said many customers from his native Venezuela, Peru, Brazil and Colombia own second homes on Key Biscayne and come to Miami to vacation and shop.

Rivero and partner Gilberto Gonzales also own eight UltrabikeX stores in Venezuela. **BRAIN**

To watch a video interview with UltrabikeX co-owner Jesus Rivero, go to <http://goo.gl/dnugCd>.

Pro Cycling and Fitness

Employees: 4; online store, 2
Sales floor space: 2,100 square feet
Years in business: 6 (1 year as Pro Cycling)
Emphasis: Triathlon
Main brands: Kestrel, Fuji
Owner: Andre Quirino

Situated among 35 bike shops in a 15-mile radius, Pro Cycling and Fitness survives through creativity—and understanding triathletes' detail-driven personality.

"They come in and buy a bike, but it doesn't stop there. Triathletes will buy accessories and a lot of little things that add up," said owner Andre Quirino. "If you follow them around the store and tell them what else they are going to need—because you speak from experience—they will buy it. And they'll appreciate your help."

Quirino, who is originally from Brazil, took over Tri Jungle, which had been in business half a decade, one year ago. A thriving online store accounts for about 60 percent of Pro Cycling's business and keeps two employees busy full time. "The online store is really why I wanted Tri Jungle's assets," Quirino said.

The multi-sport retailer leverages hands-on customer service to bring



Pro Cycling owner Andre Quirino



Pro Cycling's Computrainers allow athletes to simulate topography in pancake-flat Miami.

customers through the door. An area toward the front of the store is set up for Computrainer sessions, and more than 140 athletes are currently paying for coaching services and trainer time. Pro Cycling also hosts consumer clinics, covering everything from shifting to how to use a Garmin. "The first Garmin clinic we had, we sold out of all of our Garmin product," said Quirino. "Showing people all the ways they could use it got them excited enough to buy one."

But swimming products are the

brick-and-mortar store's biggest sellers. Quirino said he sells 50 to 60 pairs of goggles a week. "We don't just cater to triathletes," he said. "All kinds of swimmers come in here too." He also makes it a point to stock full size runs of wetsuits because it's a product that must be tried on.

According to Quirino, keeping up with trends in an ever-changing sport is critical. And because he is a competitive triathlete currently training for two Ironmans, Quirino has his finger on the

pulse of what's hot in the triathlon world. Being a USA Triathlon race director also keeps Quirino tapped into the triathlon scene.

"People come to us because they know we have experience," he said. "Even about things like boxing a TT bike for travel—they will have no idea where to even start, but we can help them, and show them what they'll need to do to unpack when they get to the race. This kind of thing keeps people coming back."

BRAIN

Miami Dealer Tour

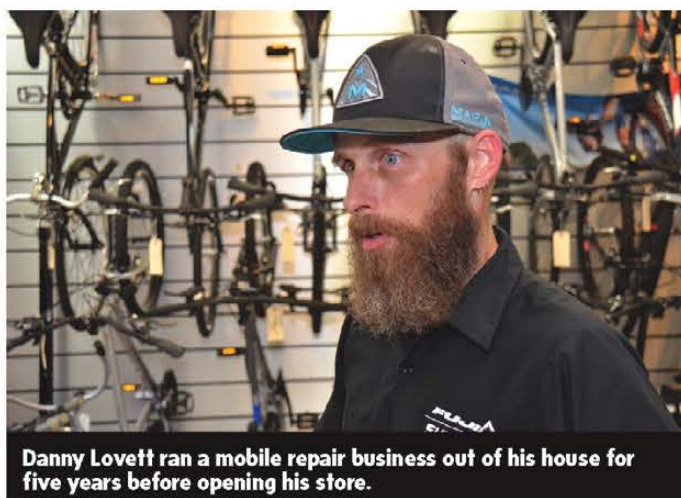
Revolution Bicycle Services

Employees: 1 (owner run and operated)
Sales floor space: 725 square feet
Years in business: 18
Emphasis: Repair and service
Main brands: Marin, Fuji, SE Bikes
Owner: Danny Lovett

Revolution Bicycle Services is a one-man show. Owner Danny Lovett is the sole employee, handling everything from repairs to ordering parts to paying the bills and, yes, even cleaning the store's restroom.

"It's overwhelming at times but fun," Lovett said, while working on a bike during a late afternoon visit to his Coconut Grove shop. "I'm listening to metal, I get to do what I want, but it is a strain after a while."

Lovett completes at least a dozen repairs a day. Service is his bread and butter, making up 70 percent of his business. He aims for 24-hour turnaround and strives to keep his rates low. For example, he charges \$45 for a complete tune-up that would cost \$80 to \$90 at other shops. Catering to many low-income customers, Lovett sometimes won't



Danny Lovett ran a mobile repair business out of his house for five years before opening his store.

charge for simple fixes like a flat tire or replacing a chain. He keeps a handwritten running tab for customers who can't pay, going as high as \$500 for one individual. Customers have tried to pay him with food stamps or offer to buy him lunch.

"It's funny to see a crackhead come and pay me back," he added. "I'll work on anything."

Lovett often builds Wal-Mart bikes, and most bikes brought in for repair are pieced together from random used parts. He also loans his tools and teaches local kids how to do simple repairs.

"If I was here to make money, I wouldn't be in the bicycle business," he said, adding

that a lot of times what he charges—or if he charges—is a judgment call. "Everyone tells me I need to raise my prices or tell me, 'Don't do it for free.' But being nice and treating people with respect goes a long way," he said.

His approach has won him a loyal following. He's known as the neighborhood's handyman—fixing everything from rusty bike wheels, changing motors on wheel chairs, building bookshelves and patching inflatable rafts.

Occupying a tiny space in an outdoor shopping center, Lovett lines up finished repairs he calls "lazy bones" in the courtyard every day. "I have more bikes outside for repair or fixed than I have for sale," he said. **BRAIN**



The shop keeps a handwritten running tab for customers.

Bike Tech

Employees: 30
Sales floor space: 5,000 square feet
Years in business: 28 years
Emphasis: Full-line bike shop
Main brands: Specialized, Cannondale, Colnago, Haro, Jamis, Niner, Scott
Owners: Arnie and Joyce Freire

Arníe and Joyce Freire have survived a shop fire and multiple store relocations. But over the course of nearly 30 years they've built a reputation in the Miami cycling community that has followed them.

"We've opened and closed seven locations, but we always had at least two locations," said Joyce Freire.

Arnie Freire opened his first retail store in 1986 with \$5,000 borrowed from his father. The "teeny-tiny" 600-square-foot space was on a golf course circle with a 4-mile figure-8 loop that was a popular training area for cyclists. Initially, it sold all Italian brands such as Guerciotti, Rossin, Pinarello, De Rosa and Atala. Arnie persuaded suppliers to allow him to bring in bikes on credit; Cannondale was his first major brand with one bike. "The way we opened was unheard of," said Joyce.

The shop grew through word-of-



Bike Tech first opened in 1986, but has been in its current flagship location since 2005. It focuses on serving the local community.



mouth, and three years later Bike Tech moved into its first real location.

In summer of 1997, just as new product was coming in, a fire gutted the shop. "I told Arnie, 'You need to go open another store,'" Joyce said. "He rebuilt another store while waiting to be compensated for the fire."

Bike Tech has been in its flagship Miami location on high-traffic Bird Road since 2005. The Freires own the building as well as a nearby warehouse. They have two other locations, including one in the Broward area of nearby Ft. Lauderdale that opened a year ago. "It was a whole new clientele. It was like starting from scratch again," Joyce said.

Bike Tech focuses on serving the

local community, but attracts visitors from South American countries such as Brazil. It caters to tourists by selling souvenirs from T-shirts to water bottles to coffee mugs emblazoned with the shop logo.

The staff has grown from eight to 30 employees in the past five years, including office and warehouse employees to support its online business. E-commerce is still a small part of the overall business, but it now employs one designated eBay employee.

While the business has grown, Freire said it's very much still a family-run venture and she and Arnie remain hands-on. "We still look at it as a mom-and-pop shop," she said, adding that their son Kevin works at the Bird Road location. **BRAIN**



Joyce Freire and her husband, Arnie, also operate two other Bike Tech locations.

Miami Dealeren Tour



Mack Cycle & Fitness is a local landmark. It's situated in Miami's bike shopping district.



Our group takes a break at the North Point Trails on Virginia Key on our way back from Key Biscayne.



Left to right: BRAIN's Julie Kelly, ASI's Karen Bliss, sales rep Alan Steel and ASI's Stephanie Genuardi and David Anker enjoy some colada, or Cuban espresso, a popular treat served up by shops on the Dealer Tour. The shot provided a needed boost for riders during the second stop of the final day at Miami Beach Bicycle Center.



ASI's Pat Cunnane meets Mack Cycle's Moise Brutus, who lost parts of three limbs in a motorcycle accident but is training for the 2016 Paralympics.



Deco, short for decompression, is the resident cat of a dive shop next to Pro Cycling.



No Boundaries Sport takes a humorous approach to its labor rates.



Fritz's Skate Bike and Surf in South Beach draws people in with fashion-inspired and colorful window displays.

Miami Dealer Tour



ASI rep Frank Israels takes a spin on the Virginia Keys North Point Trails, a nine-mile trail system.



Mangrove Cycles owner Bill Durham reminisces with ASI's Karen Bliss, who once won a major road race that Durham used to produce.



Our crew rides along Ocean Drive, a major thoroughfare in South Beach lined with art deco hotels, cafés and the famous Versace mansion.



The BRAIN Dealer Tour group had a firsthand look at J&B Importers' automated wheel manufacturing facility, which pumps out 1,200 to 1,600 wheels daily.



Our ride guide for the first two days, Mack Cycle's Sue Kawalerski, briefs our group on safety and ride etiquette before heading out.



Usmanis Gil, a former member of Cuba's national team and the Cuban national team's mechanic for decades, has worked for three owners at South Miami Bike Shop. His reputation for bike service has kept the store going through tough times.

Duties to Latin America underpin retail boom

As the person responsible for our company's sales in Latin America, I feel fortunate to have spent three days touring shops of its capital city. Miami is dubbed the capital city of Latin America because of the rich diversity of Latinos living there, but also because of the degree to which commerce originating in Miami affects all of the Americas.

A massive number of bikes sold in Miami shops are for export. Some travel out as luggage; others in large shipments. While this creates a business boom in Miami, it's a business bust for others. Brazil, for example, has prohibitively high import duty rates (a total duty and tax burden of 115 percent), which impact retail prices there and make flying to Miami the most cost-effective way to buy a high-end bike. The result is that the market for high-end bikes in Brazil is nearly nonexistent.

Most of the sales occurring in Miami truly are fair play, as retailers sell bikes to end consumers. And few, if any, will admit to selling bulk quantities of

bikes for resale overseas as that violates most brands' dealer agreements.

The opportunity to visit Miami retailers provided me with a unique glimpse into their business and the ability to better comprehend the forces that they operate in.

Miami is certainly as competitive a retail environment as any in the U.S. and the challenges of running a profitable shop there are great.

Undoubtedly, the best experiences of the week were meeting and learning from the people who make the Miami shops run. A more diverse, broad and international slice of the industry would be hard to find anywhere on the globe.

It's not only the cafe cubano that makes them so lively, nor the accents of Jacksonville, Havana and

São Paulo, which provide the soundtrack of business in these shops. A passion for cycling unites this industry across borders and makes Miami a unique and exceptional place to sell bicycles. —David Anker, director of international sales, Advanced Sports International



Shops on the rise; triathlon bigger part of Miami scene

The Miami Dealer Tour was my third since starting with Interbike, and it was great to meet those who support the cyclists of this culturally diverse city in sunny Florida.

My experience started on a sour note, as I developed Achilles tendonitis riding with the kids from the University of Florida cycling team the weekend before. Alan Steel of Advanced Exercise Sales, the local Fuji rep, saved the trip by letting me ride in the sag van.

The cycling culture is as strong as I remembered from the late '90s when I spent time working the sales floor for Mary Jane Mark at Mack Cycle & Fitness for her "Super Sales." In fact, it seemed like the number of retailers in this market had increased significantly since then. Triathlon has become a bigger part of the region, as several tri-specific shops are now in business, and veteran shops are dedicating more space to the category. I truly enjoyed meeting all of the retailers on this trip, and the folks from J&B Importers as well.

One of the most impactful meetings was with a young man named Moise Brutus. Moise was wearing a Mack Cycle kit and keeping an eye on the demo tour bikes for us while we toured the shop. We couldn't help but notice that he was



missing both legs and an arm, and our tour guide for the day, Sue, told us his story. Moise lost his limbs in a motorcycle accident, but noted in a *Miami Herald* article that he liked bikes and wanted to train for the Paralympics. With the assistance of Mack Cycle and Giant Bicycles, Moise is now training on a special bike built for him. Listening to his story was touch-

ing, inspiring and left a lasting impression on all Dealer Tour participants.

While the touch points with dealers at events like Interbike and the IBD Summit are invaluable, meeting with them on their turf allows you to see the world from their perspective and understand how each shop ticks. —Justin Gottlieb, director of communications and PR, Interbike

Riding in Miami a treat for Dealer Tour first-timer

As a recent college graduate with a degree in marketing and whose primary sports had been skiing and tennis, BRAIN's Dealer Tour was my first experience riding with a group and riding in city traffic. I enjoyed every minute riding one of the Fuji bikes from a fleet ASI graciously loaned to the group. I ended the tour with a new level of enthusiasm for cycling. I am now pursuing the purchase of my first high-end road bike.

Miami lived up to all of my expectations. It was fun, it was flavorful, and it was fast-paced. Each shop had a different feel. It didn't take long to pick up on two recurring themes: the importance of customer service and the influence

that Latin American commerce has on their business.

As it relates to the maintenance category, it was a mixed bag in terms of merchandising strategies. The common thread among the different shops was the importance of education. When a shop owner, mechanic or salesperson had knowledge about lubricants and specialized care products, they typically embraced them and the category generated significant revenue.

It was a treat to ride with some of our industry standouts. I hope to have the opportunity to join another Dealer Tour this year. —Lindsay Krause, product development, Finish Line



Miami retailers take varied paths to success

An incredibly deflating end to a truly epic pro football season for the home team could not diminish my enthusiasm for my first day on the job at PeopleForBikes (PFB). I was flying from Denver to south Florida to join the BRAIN Miami Dealer Tour.

My real-world goal was to gain perspective on the mix of Miami-area specialty bicycle dealers. The tour did not disappoint. While I spent the last five years at Leisure Trends Group studying point-of-sale data and I had a lot of opportunities to be in the field, I had never visited five specialty dealers in a day and a half.

The Miami Dealer Tour reminded me that even within a specific market, there are many different paths to success and profitability. While the stores we visited varied in size, shop type, brands carried and location, there was one common theme: an understanding of, and commitment to, the customer.

Whether focused on the family with an average retail price of \$500, the pro-custom \$5,000-plus price point, every dealer we visited was expertly in tune with its customer base.

The big surprise for me was each

dealer's commitment to the mountain bike category, including broad choices in suspension configurations and wheel sizes. I didn't know there was a market for high-end, full-suspension mountain bikes in south Florida. The mystery was solved when we rode out to Virginia Key to see and test the awesome trails constructed there. That project is a great case study and success

story demonstrating how an entire community can benefit from the hard work and persistence of a handful of people.

Equally encouraging was my experience talking briefly with each dealer about the work we do at PeopleForBikes. We all want to make every bike ride better. We all

believe that great things happen when people ride bikes. Whether I was chatting with a retailer or distributor like J&B Importers, I found great support for PFB's core concept: uniting millions of voices for a better bike riding future and a better future for the industry.

Not everyone in the industry is a Broncos fan, and I was having a particularly tough day on February 3, but when it comes to business, we are all in this together. —Charlie Cooper, vice president of membership and development, PeopleForBikes

