

AUGUST 2015

STILL ON TOP

E-commerce grows, but physical stores dominate retailing

By Fred Clements, Executive Director, NBDA

"Internet retailing continues to grow as technology sweeps the globe, a communications and commerce revolution unprecedented in human history..."

It's big news, exciting, scary, wow!

Or, maybe not so much. A new report from a company called Timetrade pushes back against some of the e-commerce hype.

The report notes that physical stores dominate retailing so thoroughly that calling it a mismatch is understating the case to the point of absurdity. And while e-commerce is expected to more than double by 2020 to about \$550 billion, the money spent at stores will still be nine times what is spent on-line that year.

The Timetrade report is based on an in-depth survey of 1,029 consumers about their shopping patterns and motivations. While the limited sample hardly qualifies it as hard research, the report does make a number of interesting points related to on-line versus bricks-and-mortar retailing. Some highlights:

- 87 percent of consumers say they plan to shop in physical stores in 2015 at least as often as in 2014.
- 85 percent say they go into stores to "touch and feel things."
- 71 percent say they would prefer to shop in Amazon's physical store instead of Amazon.com.
- 65 percent report that if an item they want is available on-line or in a nearby store, they prefer to shop in the store.
- Mobile shopping is cited as a trend, but when consumers are looking to buy something, just 13 percent use a mobile device to do so. Most use mobile to browse, research products, compare prices, and then look for the nearest store location.
- Nearly 90 percent of respondents are more likely to buy when helped by a knowledgeable staff member, and 50 percent value the expertise of sales associates.
- 63 percent say that if an item is the same price at four different retailers, they decide where to shop based on the overall customer experience they have.
- If a knowledgeable sales associate recommends items the customer may need based on what they know about the customer, 64 percent said they would leave the store much more satisfied.

Showrooming In Reverse?

The authors believe that retail is seeing a paradigm shift in consumer behavior. Consumers are now more often doing their shopping or discovery on-line, then going into the store for final purchase decisions. Leading retailers are aware of this change, and will support it by accommodating the customer's end-to-end journey across multiple channels that they control.

The fact that e-tailers such as Amazon are opening retail stores gives some credence to the importance of physical stores. Amazon and others "are vertically integrating stores to the physical realm because they understand that the personalized part of shopping... is very important to consumers, and the in-store experience allows for such opportunity," the report says. This is especially important for highly personalized goods. An example given is

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City bikes are hip, sure. But in Detroit?

glasses, but it could equally apply to bicycles.

"Amazon is a perfect example of the notion of retail convergence, which is the converging of web and physical retailing," the report continues. "The main driver for retail convergence is that purchase behavior has changed. Consumers are now more educated and now view the in-store experience as the final buying decision point."

The key for stores is the quality of in-store staff. "Store managers and store associates must have the right knowledge to help these educated consumers with their final buying decisions," the report continues. "How store employees handle in-store behavior is more crucial than ever as consumers will take their business elsewhere." The survey shows that 60 percent will buy more than originally planned if they genuinely like the sales associate. 50 percent say they value smart recommendations from a sales associate.

"Retailers are realizing more and more that the key to superior customer service is personalization," the report says. "This means knowing the customer and being able to anticipate their wants and needs, and in the case of retail, being able to anticipate their purchase behaviors and give them the appropriate help."

While on-line sellers continue to gather and use consumer information to build an apparent closer relationship with their customers on-line, the report points out that the best opportunity for a relationship lies in a personal interaction, "a highly personalized in-store experience with a knowledgeable associate is what leads a lasting impression and creates brand loyalty."

The report quotes Mike Moriarty of A.T. Kearney, "The boom in e-commerce has brought challenges. Both brick-and-mortar leaders and major pure-play on-line retailers are learning that the future of the industry is not merely on-line, but rather in creative omnichannel offerings that link on-line and physical shopping."

From The Independent Bike Blog, www.bikedeblog.com/

BUILD FROM OUTSOURCED PARTS GOES BAD



>I have a customer who brought in a Cervelo S5 frame, a Dura-Ace group bought on-line, counterfeit Zipp wheels, and counterfeit Pirelli bars for us to build up. We built up the bike for him, installed his pedals (also bought elsewhere), charged him our normal rate, and he went on his way. For

every bike build, we have a second bike tech assess the build to ensure everything is torqued effectively and all is well.

The customer brought the bike back as his pedals had stripped one of the threads on the crank, and he is demanding we replace his crank. We are confident the pedals were installed effectively, greased correctly, and torqued correctly. But the customer insists that we replace his crank and has done so under the veiled threat of lawsuit.

We noticed, when he brought the bike in the second time, that apparently another shop had been working on the bike, as there were a number of changes (seat moved, spacers moved, etc.) since we built the bike.

How have you handled situations like this in the past and what would you recommend we do to best handle the customer and the situation?
(Trent Nix, Trishop, Plano, Texas.)



>This is coming to us all and we need to be ready or else events will overtake us. It inspires me to talk to my business partner about this and clarify our own policies.

The first thing I'm going to do is get advice, beginning with my insurance agent, and possibly talking to an attorney next.

If my insurance agent or attorney says "you can't touch this," then I can put a sign in my shop that says our insurance/attorney's advice prohibits us from working on any parts (defined here). They could be counterfeit parts. (But how do we always know that unless customer comes right out and says it?). They could be parts not purchased from an "authorized retailer" of the product. Or maybe something else.

It isn't a total get-out-of-jail-free card because customers could hide information from you in order to gain your service. Others may dispute whether the retailer was authorized or the part was counterfeit. Nonetheless, perhaps by having an "official" third-party instruction backing us up for refusing to service, we are really only losing customers who aren't very good customers to begin with.

In direct answer to your question, Trent, I would allow the customer the expense and risk of pursuing you legally. If you followed proper procedures and have reasonable documentation to support this, then call his bluff. Chances are, for the amount of money at risk (relatively low), it won't be worth his cost to sue you. This is obviously not a

customer worth trying to keep, so cut him loose and be ready to tell the true story on Yelp! with your merchant response.

As part of your documentation, sit down and interview all employees who engaged with the customer or his bike now and write up the precise order of events and everything that anyone can recall that was said. (Jeff Koenig, Big Poppi Bicycle Co., Manhattan, Kansas.)

>We don't get paid well enough for these hassles. Thank goodness there're more than enough counterbalancing good customer vibes from others. Here're my thoughts:

First, the standard lawsuit potential is minimal because the cost of the crank is a lot less than the cost of a potential lawsuit, even if the customer is a lawyer, because of the required filing fees, etc. What you may face, however, is whatever your state has in the way of small-claims court. In New York a corporation has to be represented by an attorney, but a non-attorney claimant can and usually does represent him- or herself.

His pedals had stripped one of the threads on the crank, and he is demanding we replace his crank.

If you might be subject to a small-claims court claim, I'd suggest you take photos you can bring in, showing the subsequent changes in the bike build, and any documentation you have (such as a build checklist) that your mechanic would have followed.

Beyond that, from this safe and unemotional distance, I'd add that even when confronted by a customer who knows he is trying to cheat you, it's often best to cut the losses, fix it and move on, while getting a signed repair acknowledgement that everything is now fine. While it goes against the grain, the business and personal goal is to put the hassle behind you rather than let it continue to aggravate you and continue to cost you time and money.

Some of the best advice I ever got from a bike store owner was, if rational discussion and explanation don't resolve the issue, always replace the goods, even in those few situations when the customer knew it was his fault, and he knew that you knew it was his fault. It's just never worth the hassle. (Robert Fullem, Downtube Bicycle Works, Albany, New York.)



>There's another way to look at this. It's a costly lesson, you eat it on the crank (ouch!) but put in place a guarantee on your work that requires subsequent work on the bike be performed by your shop, not someone else. Specifically mention that any adjustments performed by fitters may pass the responsibility for your bike's safety and performance on to that fitter and that all assurances and guarantees, by your shop, are gone.

Fitters, expert friends and Youtube self-help videos can all undo the good work you've done, and put your shop at risk for things you didn't do.

In the end, unless you have video showing the bike being worked on, you just cannot absolutely know that your mechanic didn't forget to tighten that pedal. I know we've eaten a left crank arm (or two) over the past umpteen years because it's likely one of our mechanics didn't tighten the pinch bolts properly. So unless you have proof the fitter (or whomever) did actually remove the pedal for some reason, there's not much you can do. (*Mike Jacobowsky, Chain Reaction Bicycles, Redwood City and Los Altos, California.*)

>Another idea would be to contact Shimano North America. If you sent out the bike and it was good to go and the crank stripped, then it would appear to be a product defect. I understand that it more than likely isn't a defect, but if the customer isn't willing to confess to you that he stripped it or another shop did, you have no way to know otherwise.

Over the last six months I have had several situations like this pop up with Shimano stuff gotten elsewhere, and they have helped me out in every situation. Say what you will about the problems with Shimano NA, but the folks on the inside really do want to try to help as much as they can.

I know that this doesn't address the boorish behavior of this customer but it might be a way of getting to a resolution. (*Pete Downs, Benidorm Bikes, Canton, Connecticut.*)



>I submit that choosing to call the customer's bluff is just as valid a business decision as Bob's suggestion to (using my words) cut your losses. Both of those decisions come with financial and emotional costs and benefits. Far be it for me to choose for another as to which is the wiser path to walk. Personally I fall into the "no deal" camp. Bullies are bullies regardless of the setting. My experience is stand up to them and they back down. (Experiences of others may vary.)

I would invite the customer back in, sit him down and explain the situation to him. Let him know what I could do for him. Sell him whatever pieces he needs to get his bike in working order (perhaps throw in the labor as a gesture of good will). I would also make it clear that I was prepared to defend the quality of my shop's work. (*Jeff Selzer, Palo Alto Bicycles, Palo Alto, California.*)

>Jeff, My problem is this: the more certain I am that I'm correct, the more absolute about it, the more I want to draw a line in the sand—somehow that seems to make it that much more likely that I'm wrong.

I wish I could be certain that one of my mechanics never, ever became distracted and forgot to use a wrench after threading a pedal in by hand. (*Mike Jacobowsky, Chain Reaction Bicycles, Redwood City and Los Altos, California.*)

... And The Rest Of The Story

>Thanks everyone for your recommendations. I was trying to take my own emotion out of the equation and get some objective guidance. Mission accomplished.

The customer had mentioned the lawsuit option to my employees. I didn't have a specific game plan before the customer spoke to me, outside of some general ideas depending on how the conversation went.

An additional note—this is not a good/loyal/desired customer in any way.

The customer came in with his "friend," and the friend did all the talking. That pretty much sealed their fate in terms of the lengths I would go to work with them.

The friend assured me that while most of the bike was counterfeit, the Shimano parts were genuine. I assured them I was confident in our service process, and I recommended they contact the shop they purchased the parts from to see if warranty was an option. I told them we do not warranty parts bought elsewhere as part of our policy (we have, on occasion, depending on the situation and the customer).

They said they bought the parts from an on-line shop in Germany. I recommended they contact Shimano if they chose, but told them Shimano would likely require a receipt.

They asked if I would "give them their money back" for the service to help them "buy a new part." I said I wouldn't be able to do that.

They almost immediately backed down after all that because it was "too much trouble to go through a warranty process" (but trying to extort me apparently wasn't). They suggested that a tap to correct the single broken thread would be sufficient, and went on their way. They said they'd be unlikely to shop with us again, and we wished them well. Most threads were fine, and all will be well that ends well. (Trent Nix, Trishop, Plano, Texas.)



Trishop, Plano, Texas.)

>Glad it worked out, Trent! Yours presented an easier case than most because the bike had clearly been worked on elsewhere, and that work (and/or fitting) may well have included a temporary pedal or crank swap.

The question among some of us remains, what course to take when no third party is involved. As in: my store's assembly/repair product returns with an angry customer claiming shoddy service. I think we agree the first steps are as Trent apparently did: no defensiveness, just rational questions and logical discussion about procedures, the obvious work by others, possible warranty from the seller, etc. That's not easy when you are challenged, but seems essential and is one of the factors that distinguishes highly skilled business people.

Where some of us seem to disagree is the ultimate solution if the rational discussion fails. To that, we who control the cash register refund key get to play God. As Mike J. implied (in other terms, and in speaking only for his shop), God makes lots of mistakes. (I mean, just look around.)

We do, too. And so do our mechanics. Absent a video replay of the work, insisting we/our store, our mechanic couldn't have made a mistake is, itself, unbelievable. Only ignorance argues otherwise. (We usually/probably are right, but we never really, really know for sure.)

Playing God seems to be better received and more productive when played with humility. (*Robert Fullem, Downtube Bicycle Works, Albany, New York.*)

The NBDA E-Group is a forum where independent bicycle retailers can share news, opinion and advice about their businesses. It is open exclusively to NBDA dealer members, any of whom may join. To subscribe, go to www.nbda.com.

PROFILE



Not your image of Detroit, is it? Rivard Plaza, on the Detroit River, is home to Wheelhouse Detroit, the 500 square feet of the building where all the action is.

RIDING A RENAISSANCE

A bike shop with rentals, sure. But with guided bike tours? In Detroit? Something’s going on in Motor City

By Peter Koch

We all know the relatively long odds of succeeding in this industry—how 70 percent of new retail shops close within three years and roughly 1,000 shut their doors every single year. But when Wheelhouse Detroit first opened its doors back in June of 2008, the odds seemed stacked even higher. After all, here was a seasonal business setting up shop in an unheated, uninsulated 500-square-foot shed in an Upper Midwest city that also happened to be the poorest in America.

To make matters worse, the Detroit economy was in free fall,

weighed down by sweeping layoffs in the local auto industry, double-digit unemployment and one of the nation’s highest home foreclosure rates.

But none of that stopped Kelli Kavanaugh and then-business partner Karen Gage (who sold her half of the business to Kavanaugh last winter)—both industry outsiders working in community development—from seeing opportunity.

As passionate lifelong cyclists who were intimately familiar with community needs, they were confident of one thing: cycling was on the rise in Detroit, and downtown was in desperate need of a shop.

But this wouldn't be a high-end boutique peddling carbon frames and Tour de France dreams. From the start, Wheelhouse Detroit was organized around the singular goal of getting more city people on bikes through sales of reliable workhorse bikes, rentals and—an unusual offering—guided bike tours, then keeping them rolling with top-notch service.

It has proven a winning combination, and today the shop's future looks much brighter. Not only is it open year-round and thriving relative to those bleak early days, but a second, larger location is in the works. And out on the streets of Detroit, the number of cyclists is exploding, ushering in a sort of two-wheeled revolution in Motor City.

Walking The Talk

As long as she can remember, Kavanaugh has been riding a bike. "I've been working since I was 14," she says, "and my mom wasn't going to drive me to work, so it's just been my life." Through those early days in the suburbs, into her college days at University of Detroit—where she majored in Civil Engineering with a focus in Transportation—and beyond to her community development career, she relied on bikes to get her where she was going. That reality helped shape her career, as she began working on, and advocating for, non-motorized infrastructure in localized neighborhoods.

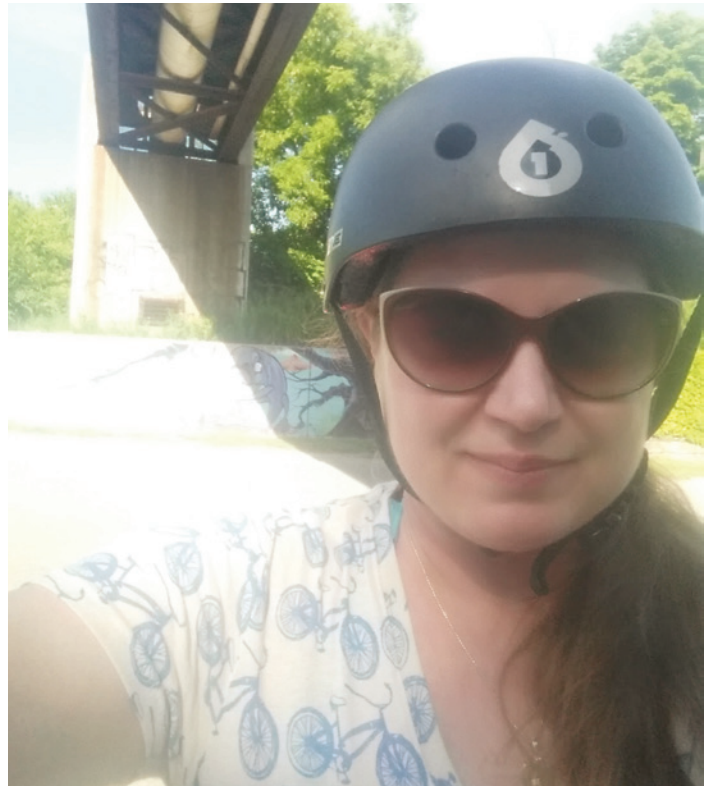
In 2005, she and Gage, a friend from high school, volunteered to help organize the Tour de Troit bike ride, whose attendance grew from just 200 that year to nearly 1,000 in 2007. "The growth of that event was what spurred me into wanting to open a bike shop," Kavanaugh says. "Biking culture was clearly on the rise."

At the time, there were literally no bike shops downtown. Cyclists were forced to trek out to the suburbs for upgrades and—for lack of parts—even small-time repairs. It was frustrating, and led to "one of those bar conversations that turned real."

**At the time, there were
literally no bike shops
downtown.**

Both were cyclists and both were on the front lines of redeveloping neighborhoods by growing small businesses (including connecting them with resources like grants and favorable loans), so it was only natural that they go into business together and open a bike shop. "For me, opening my own business was about putting my money where my mouth is."

Their initial business plan called for a "much grander vision" of 2,000 to 3,000 square feet, more like what you'd think of as a traditional bike shop," Kavanaugh admits. But reality hit hard when they plugged in the numbers. "It was either start up on a much smaller scale and be open the same year with very minimal loans, or take five years to raise the money we needed and be in debt up to our ears." They took the more modest approach, and soon found the perfect space in the Detroit RiverFront Conservancy's newly constructed



Kelli Kavanaugh has been working since age 14—and riding bikes to the job. Her mission now: to turn regular folks into regular cyclists. Don't bet against her.

building at Rivard Plaza, directly on the Detroit River and at the heart of a 3.5-mile waterfront redevelopment project that includes parks, landscaping and a popular RiverWalk. The two submitted a business plan to the Conservancy, were approved and, with \$30,000 combined capital from personal savings and a loan from the Detroit Micro Enterprise Fund, set up Wheelhouse Detroit in the 500-square-foot waterfront shop.

Five hundred square feet is small for any shop, but for a full-service shop with a rental fleet of 60-70 bikes, it's downright claustrophobic. "Every day is like a game of Tetris in our live-in bike corral," Kavanaugh says, "as we bring everything in at night, and put everything out each morning." When the shop is closed, every inch of floor space—and some on the wall—is converted to storage for the two-dozen sale bikes, the rental fleet and 20-odd service bikes. "That's why everyone who works at Wheelhouse has bruised legs."

It's hugely inconvenient, of course, but Kavanaugh firmly believes it has been worth it. Not only has the small size forced a more organic and sustainable growth through uncertain economic times, but the appealing riverfront location ("the front door to the city, in some ways," she says) has helped grow rentals and tours into a major, likely life-sustaining portion of the business. Today, those segments account for a whopping 48 percent of Wheelhouse's total annual revenue of \$267,000.

Location, Location

Take a minute to picture Wheelhouse Detroit's setting, and you'll understand the attraction. It's located in a landscaped park, just a short

spin from the skyscrapers of downtown. Nearby, there's a playground, a carousel and a beach volleyball court. A neighboring business offers scenic boat tours on the now sparkling blue Detroit River.

The RiverWalk out front delivers cyclists and pedestrians to waterfront music venues, wetland parks, the Joe Louis Arena (home of the NHL's Red Wings), family-friendly water parks, a lighthouse and a soon-to-be-completed outdoor adventure center. This is where locals get their fresh air, and where tourists come to see signs of the city's burgeoning renaissance. And Wheelhouse is ready to facilitate, with its well-maintained rental fleet and, improbably for a bike shop, guided tours.

Showcasing the City—and Cycling

The tours sprang from Gage and Kavanaugh's long love affair with the city. They knew well Detroit's rich heritage, and were eager to show it off and, in the process, hoped to convert a few locals into regular riders.

Kavanaugh developed and guided the tours herself at first, and business was slow. "People would come into the shop and needed me to sell them on renting a bike or joining a tour," she says. They were hesitant to hit the big streets of Detroit with nothing to protect them from zooming traffic and, perhaps, crime. The \$1,180 that tours brought in by the end of that first season hardly justified the time and effort that went into them.

In 2009, though, they hit on a winning formula that effectively outsourced much of the work. Tapping their community development backgrounds, Kavanaugh and Gage began working with local nonprofits to develop the tours.

For example, the once-a-month Urban Agriculture tour was developed by an organization called Keep Growing Detroit that works with local gardeners and farmers to promote food sovereignty. Keep Growing developed both the route and the content of the tour, which someone from their organization guides. Wheelhouse, in turn, pays the organization for every tour they give.

"It's a win-win," says Kavanaugh. "They get to showcase what they're doing and make a little money for the organization, and we're able to provide a very authentic experience while focusing on the bike part of things," which includes providing a trained guide and



About half the revenue comes from rentals and guided bike tours of Detroit's art, architecture and, of course, auto history.

sweeper to keep the group safe, keep everyone together and make on-the-go repairs. It was a breakthrough realization that saved the partners from "reading stuff off the internet to create a tour," and let them concentrate on their area of expertise.

Now Wheelhouse offers at least 15 different tours nearly 70 times a year, ranging from the geographically specific (Hamtramck, Belle Isle, Corktown, Eastern Market) to the more thematic (music heritage, auto heritage, architecture, public art, haunted and the aforementioned urban agriculture) to the more esoteric (coffee culture, Underground Railroad, cigars in Detroit and Churches of Poletown). They're kept small—capped at 15 riders for public tours and 20 for private—ensuring they're both safe and personal. Last year, those tours brought in close to \$50,000.

For a look at the secret sauce that makes these tours successful, consider the public art tour. It was developed by a competitive mountain biker and cyclocross rider who works at the Detroit Institute of Art and is an artist in his own right. "He comes in once a month, gives his public art tour, everybody loves it, and he makes an extra chunk of change to basically ride his bike and talk about stuff that he really likes and is passionate about," a win-win deal.

Kavanaugh recognizes that tours could be considered a distraction from Wheelhouse Detroit's core business. She even, at one point, considered running the businesses separately under two LLCs—one for rentals and tours, one for retail and service—because "the liability is different and the staffing is totally separate."

Ultimately, though, she sees them as integral to promoting her philosophy that cycling is for everyone. "I think there's a little bit of attitude around cycling—I'm cool because I cycle, I'm really fit because I cycle, I'm smarter than you because I cycle"—that permeates the industry and cyclists," she says.

She tries to combat that image with the tours, where virtually anybody can get on a bike, ride a dozen miles, learn about Detroit and have fun. "You don't have to wear spandex, you don't have to ride a fancy bike. And I think that serves as a gateway drug to becoming a regular cyclist."

In other words, the tours are a great way for newbies to gain confidence and learn the rules of the road in a small group. She reports

SPECS

Wheelhouse Detroit
Detroit Michigan

Locations: one, plus outpost

Square feet: 500

Years in business: 7

Employees: 2 F/T, 13 P/T, 8 contract

Average Bike Sale: \$500

Breakdown: sales/service/rentals/tours: 45 percent / 7 percent / 31 percent / 17 percent.

Annual Gross Revenue: \$270,000

Major Brands: Detroit Bikes, Kona, Origin8, Opus Bikes, Brooklyn Bicycle Co., Sun, Surly, Salsa

On the web: WheelhouseDetroit.com

that several Wheelhouse customers, particularly women, have come out for multiple tours before converting to everyday cyclists. “We’re emphatically not about performance here. We’re about making people comfortable, and hopefully turning them from very occasional riders to very regular riders.”

Detroit Bike City

Looking back, it appears Wheelhouse picked the perfect time to get into the Detroit market. Motor City, while still troubled, is slowly getting its groove back, and a good bit of the buzz surrounds bikes. 2011 saw the start of the city’s biggest group ride, the Slow Roll, which unites 300–450 riders every Monday night through the summer for a pokey cruise through the city.

In 2012, Detroit Bikes started producing high-quality, hand-built bikes (under the watchful eye of native and master builder Henry Ford II) out of a 50,000-square-foot factory on the west side of town. That same year saw the launch of Detroit Bike City, an annual bike swap and exposition that draws more than 100 vendors and thousands of cyclists. Meanwhile, bicycle lanes have sprouted up all over the place, from almost none when Wheelhouse opened to more than 150 miles today.

“It’s funny to see the change that’s happened in Detroit in eight years,” Kavanaugh says. “It’s gone from people saying, ‘You’re insane to ride a bike in Detroit’ to people being really interested in it.” Three bike shops opened in the first half of 2015, and at least a couple more are slated to. “Detroit is this super desirable place to do business right now. It’s super hip.”

Wheelhouse has cashed in on all the new interest surrounding bikes, growing each of its four revenue streams—retail, service, rentals and tours—every single year it’s been in business. Kavanaugh has steadily expanded brand offerings, while keeping a tight focus on the “regular rider” target market by selling only city-friendly machines—commuters, step-throughs, fixies and hybrids—in the \$400–\$800 range from the likes of Kona, Origin8, Brooklyn Bicycle Co., Opus Bikes and nearby Detroit Bikes. She employs three mechanics now instead of one, and offers faster turnaround on repairs, as well as



Kavanaugh started small to avoid debt but is growing. She plans to add a second store and two rental kiosks by the end of the year.

service pick-up and delivery.

For the past two years, they’ve made enough money in the high season to stay open through the winter on significantly reduced hours. “We’re right on the water, it’s not insulated, and it’s pretty brutal during the winters,” Kavanaugh says, “but we finally just put space heaters in and bullied through it.”

That allowed her to, at last, maintain a few key employees, most notably her manager. “I still lose money over the winter. But what I’ve been able to do—getting more done and also maintaining quality staff—has been really important to the growth of my business.”

Now that growth appears to be snowballing. This summer, Kavanaugh opened a tiny Wheelhouse rental outpost downtown in a converted shipping container. She’s hoping to open another in the autumn near Eastern Market. When asked about the outposts’ solvency, she admits that renting bikes isn’t exactly a ‘get rich quick’ scheme, but she considers it a powerful marketing tool. “There are people who, as accessible as my location is, still wouldn’t have seen it or known about it,” she says. “But having someone posted in a very busy location who’s representing my business has been very beneficial.”

By the end of the year, Kavanaugh plans to open a second full-size retail location of Wheelhouse Detroit. “It will focus more on retail and service, and I’ll keep the rentals and tours at our current location.” There will be a small amount of overlap in either direction, though, so customers can rent a bike from the new shop, or get their ride repaired at the old one.

To differentiate herself from a growing list of competitors, she intends to sell USA- and Michigan-made brands that aren’t available locally—and not just in Detroit, but in all of southeast Michigan.

Nobody thinks Kavanaugh is crazy this time around, and the new arrangement should make Wheelhouse Detroit even more efficient at doing what it does best—getting people on bikes. “Whether they’re buying their first bike, upgrading from a beater—inherited or from Wal-Mart—renting or going out on one of our tours, we get people on bikes,” says Kavanaugh. “We’re a portal into cycling in Detroit.”



The store offers pick-up and delivery for repair work.

NBDA SUPER SEMINARS

2015 NBDA SUPER SEMINARS—PLUS!

16 high performance dealer sessions, upgraded for 2015.

NBDA Super Seminars Plus at Interbike means more seminars than before, more focused and dynamic, with new topics and new ideas—18 hours of retail insight and inspiration.

Super Seminars Plus will deliver maximum return on investment for time spent. You'll find them at the Mandalay Bay Convention Center, Las Vegas, Nevada, in rooms Tradewinds C-F.

All seminars are available free of charge to Interbike attendees, courtesy of the NBDA and the NBDA members whose dues payments make them possible.

Here's the schedule:

PRE-SHOW SEMINARS • TUESDAY, SEPTEMBER 15

10:00 a.m. to 11:00 a.m.

How Technology Is Transforming Retail As We Know It

Presented by Jim Dion, Dionco Inc.

Emerging customer-centric technologies are changing the nature of the retail industry. How difficult is it to evaluate current technology options and track future trends? Quite difficult and complex indeed.

This presentation reviews emerging technology trends and advances in retail store formats and technologies that businesses should be considering now and in the future.

You will learn some of the key existing and emerging trends that are impacting consumers and retail, including on-line sales; technology and its impact on the shopper's purchase path; showrooming and webrooming and their impact on retailers; the integration of digital signage, mobile POS and tablets and their impact on customer engagement; the use of converged platforms and omni-channel marketing to give a singular view of the customer; the use of "big data" to customize the retail experience; "objects connection" and systems through cloud computing and the "Internet of things"; and what all that means to retailers.

As well, learn what the store formats of the future will look like and within these formats what technologies you will need to deploy to truly be relevant to your customers.

James (Jim) Dion, founder and president of Chicago-based Dionco Inc., is an internationally known retail speaker and trainer, retail consultant, and the author of the best-sellers Retail Selling Ain't Brain Surgery, It's Twice As Hard, Start and Run a Retail Business and The Complete Idiot's Guide to Starting and Running a Retail Store. With a BS, MS degree in Psychology from Chicago State University and a Ph.D. in Industrial Psychology from the Illinois Institute of Technology combined with over 30 years of progressive retail experience working at Sears, Levi Strauss and Gilmore Department Stores, Jim is one of the most sought after retail consultants and retail speakers in the world.

11:30 a.m. to 1:00 p.m.

Delivering Exceptional Customer Service While "Having a Great Day Everyday"

Presented by Steve Beck, The Brandt Group, Ltd.

This seminar is about realizing that if you deliver exceptional customer service, your customers will return and those customers will become loyal customers. Discover that your job is not just a job, it's a performance, and learn "How to Be Your Best Every Day by Having a Great Day Every Day,"



Steve will give you the knowledge that sets the tone for every customer interaction. He provides the insights and methods that will assist you in understanding your ability to deliver exceptional customer service to everyone on a daily basis in every interaction.

Steve will discuss:

- How to create customer loyalty;
- What it takes to "Have a Great Day Everyday";
- How much attitude affects everyone in life;
- Improving relationships at work and at home;
- The impact of body language and the message it sends;
- The importance of "Leaving Your Funk at the Door";
- How to "fire up" every day regardless of the day of the week;
- An Army Ranger/Navy Seal technique for getting through rough days.

Steve will also present the national mystery shopping results from the NBDA's America's Best Bike Shops program. What do bike shops do well as a whole? Where are areas for potential improvement? All will be included in this session.

Steve Beck is founder and president of Beck and Associates. He is an author, keynote speaker, facilitator and coach who brings more than 20 years of experience as a corporate executive to his training programs. His past clients include The Ritz-Carlton, United Airlines, Advocate Health Care, CDW and various chambers of commerce, hospitals, associations and banks.

1:30 p.m. to 2:30 p.m.

Do You Have A Digital Shoplifting Problem?

Presented by Jim Dion, Dionco Inc.

This session will reveal 15 ways you can keep your store from becoming a fitting room for Internet shoppers. You have heard or read about showrooming, or the pervasive habit of shoppers to scope out merchandise in your store but buy on your rivals' websites like Amazon.com, usually at a lower price.

You have heard or read about the reasons why shoppers do it: instant gratification, broad selection, price and deals. And you have heard or read about the reasons why suppliers are allowing this, such as Wall Street pressure to deliver profit which then leads to over-distributed brands.

What you might not have heard or read about are the ways you can combat this trend. There are 15 ways to do it that we cover in this presentation. One set of tactics you can deploy to convince your customer to choose you over the web and another set of tactics you can deploy to convince your suppliers to do business with you under different terms. This workshop will dig into each of these tactics with examples from big-box retailers and independents who are using them every day.

3:00 p.m. to 4:00 p.m.

When the Carrot Doesn't Work

Presented by Lori Richman, Quality Bicycle Products.

Sometimes an employee seems unwilling to change, grow or develop no matter how much we try to encourage and nudge them along. This seminar will cover concepts and techniques to engage them in clear, candid and empathetic conversations in order to get the results you need.

Lori Richman is director of organization development for Quality Bicycle Products. She has a Master's degree in organizational leadership, and has worked in the field of organization development for 30 years, serving in the non-profit, government, and private sectors. Lori is an avid bicycle commuter, serves as co-chair of her local community bike task force, and is a mentor in the OIWC leadership program.

4:30 p.m. to 5:30 p.m.

The Importance of Capturing Customer Information

Presented by Charlie Cooper, PeopleForBikes.

Marketing to existing customers is easier and more effective than broadcasting your message to a general audience, many of whom may have little interest in bicycles. Technology makes that both inexpensive and measurable.

"Customer Relationship Management" (CRM) is the subject of this seminar, a data-driven approach to marketing that ties sales to a specific customer record at the point of purchase. CRM tools are widely available and inexpensive, but it takes some discipline and processes to acquire customer information, put it into a CRM system, and do something with it to drive business.

Charlie will show examples of how companies such as Apple use CRM effectively. Best practices from bicycle retailers will be also revealed. The seminar will include participation from Ben Lockett of ascentcrm.com, and at least one dealer who uses CRM effectively. *Charlie Cooper is vice president of PeopleForBikes. He was previously president of Leisure Trends Group, and oversaw that company's CRM division during his time there.*

EXPO DAY ONE • WEDNESDAY, SEPTEMBER 16

9:30 a.m. to 10:30 a.m.

You Can Compete!

Presented by Bob Phibbs, the Retail Doctor.

Retail sales come down to having the right people and right product for your customers. In this keynote presentation, Bob Phibbs will reveal strategies to increase sales by 20, 40, even 60 percent within six months, and to recapture lost profits from competitors. Discover how to attract better employees and how to recognize the largest group of potential customers you've been ignoring.

Other topics: price doesn't make something a good value, people do; selling is something we all do; make your store the amusement park; and the products are just the souvenirs.

When it comes to growing your business successfully in a competitive market and a shaky economy, Bob will show you how to gain the leverage you need to make small changes that produce big results.

Bob Phibbs, The Retail Doctor, is a nationally recognized business strategist, customer service expert, sales coach, marketing mentor, retail author, and motivational business speaker. Over the years, the Retail Doctor has helped thousands of businesses in every major industry to strengthen their business structure, close more sales, and stay ahead of their competition.

11:00 a.m. to 12:00 p.m.

Retail Design Review: Designing the Customer Experience

Presented by Alison Medina, Executive Editor, design:retail magazine.

While on-line commerce continues to grow by double digits, 90 percent of purchases still happen inside the bricks-and-mortar retail environment. With all of the outside factors of e-commerce and m-commerce coming into play, how are retailers enhancing their physical store spaces, and ultimately, their customer experience?

Join Alison Embrey Medina, executive editor of design:retail magazine, as she explores some of the consumer trends and in-store applications that are redefining the retail marketplace as we know it. *Alison Medina is the executive editor of design:retail magazine (formerly DDI), a trade publication serving the retail design industry. Medina has spoken on trends in retail design and visual merchandising at numerous events worldwide. In her 12 years in that industry, she has held multiple editorial positions with the magazine, as well as a senior writer position for New York-based Convenience Store News.*

12:30 p.m. to 1:30 p.m.

Visual Merchandising For Sales

Presented by Bob Phibbs, The Retail Doctor

Displays are your silent salesperson, from the intriguing windows to the impulse items at the counter. Great visual merchandising skills are the foundation of a healthy business. Let retail expert Bob Phibbs show you and your team the power of strategic visual merchandising.

Even with a flat economy, you can make merchandise fly out the door with the mechanisms of effective display. Bob's speech will give you the confidence to create show-stopping displays by identifying which products to display in the first place. Solve the age-old question, "Where do you want me to put this?" and understand how traffic patterns can make or break a best seller.

Do you know which three colors catch the eye? Avoid the common errors that cause your merchandise display to be boring, forgettable, and a fast train to the clearance section. Bob will let you in on the 15 steps to creating a perfect display that moves merchandise, complete with eight real-world display examples.

2:00 p.m. to 3:30 p.m.

Removing the 8 Obstacles to Apparel Success

Presented by Dan Mann, The Mann Group.

What is the number-one obstacle to selling apparel in your store? Attend this seminar and find the answer to this question and more. We will be talking about fundamental concepts of apparel sales, the techniques for selling performance apparel and how to work the dressing room.

Dan Mann is president of The Mann Group and is a consultant to numerous retailers in the bicycle, running and outdoor industries. He has been a top-rated and popular speaker for the NBDA Super Seminars for several years and has vast experience in apparel retailing.

4:00 p.m. to 5:30 p.m.

Uncovering The BRAIN Retail Remodel: Now Bikes And Fitness

Presented by Holly Wiese, 3 Dots Design and Mercedes Ross, Merchandizing Wex.

This seminar will focus on the redesign of Now Bikes and Fitness in St. Paul, Minnesota, a project of Bicycle Retailer and Industry News.

A fixture in the Twin Cities' bike retail scene for nearly four decades, Now Bikes was selected from a pool of more than 80 shops vying to be part of the inaugural project. BRAIN partnered with 3 Dots Design

to handle the store design aspect of the project and also brought on board Mercedes Ross of Merchandising Werx, to manage the visual merchandising. They worked with Now Bikes owner Bob Sumada to identify challenges and provide solutions to improve aesthetics, traffic flow and product placement in the store.

This session will cover the store transformation from start to finish, with before-and-after photos of the project and discussion of specific design challenges and goals. Presenters will also include merchandising tips and retail best practices so attendees will leave with actionable store design ideas and concepts. There will also be a Q&A between audience members, the store designers, and the store owner. *Holly Wiese has over 23 years of experience in the field of visual merchandising and retail design. Her skills are spread across numerous industries including specialty running, specialty cycling, outdoor and active apparel. She has also consulted in the bicycle industry and oversaw all aspects of retail design and visual merchandising for Giant Bicycle. Mercedes Ross is a merchandising expert who consults with retailers in several active lifestyle industries including bicycles via her company, Merchandising Werx.*

EXPO DAY TWO • THURSDAY, SEPTEMBER 17

8:30 a.m. to 9:30 a.m.

Death By Discounting

Presented by Donny Perry, author and SBCU program manager.

Retailers are constantly looking for ways to increase their bottom lines. Getting more new customers, expanding their lines, or dumping a lot of energy into marketing, are among the effective strategies being used. But one of the most impactful things any retailer can do is to sell products and services for what they're worth.

The culture of discounting has gotten out of control, and in this presentation Perry will shed light on the true cost of discounting and how to turn it around. Donny Perry's session focuses on discounting: why we discount, how it's killing us, and what we can do to make a positive change.

Donny Perry is the SBCU Program Manager for Specialized Bicycles and the author of Leading Out Retail: A Creative Look At Bicycle Retail and What All Retailers Can Learn From It. With a decade of bike retail experience, Donny has gone on to coach bike retailers in operations, service, bike fitting, merchandising, marketing, and sales. Donny is known for his no-BS outlook on the state of bike retail and for providing owners and managers easy-to-use tools that will improve their businesses.

10:00 a.m. to 11:00 a.m.

The Five Areas of Retail Excellence

Presented by Chris Kegel, owner, Wheel and Sprocket.

Chris Kegel will talk about the importance of measuring what's going on in a retail business, why to measure, how to measure, what to measure, and what do to with the information. At Wheel and Sprocket, Chris has chosen to measure and focus on five "areas of excellence": sales and margin, payroll, marketing, customer service and profitability. He will talk about these, as well as five more key performance areas that lend themselves to measurement.

Wisconsin-based Wheel and Sprocket is one of the largest independent bicycle retailers in the country, and Kegel has been running the business for over 40 years.

11:30 a.m. to 12:30 p.m.

Leading Out Retail

Presented by Donny Perry, SBCU program manager.

Donny Perry will take a look at where the future of retail is heading and "which bike retailers will kick ass when we get there." Everyone

has said it: the Internet is changing everything, the customer is demanding more, and more and more brands are going direct.

In a drastically different future is there a place for independent retailers? Donny Perry believes there is. In this presentation Perry will outline which elements of your business will be gold mines in the coming years.

1:00 p.m. to 2:00 p.m.

Creating Real Value in Your Bike Shop

Presented by Jeff Koenig, Big Poppi Bicycles

Owning the building is sometimes a bike shop owner's complete retirement fund, an acknowledgement of the difficulty in creating monetizable equity value in a bike shop given a world of fierce competition and tight profit margins. As true as this may be for many, it doesn't leave much room for the very real strategies that can be implemented for creating additional value in the business beyond the real estate it occupies.

In this session, Jeff Koenig will review strategies for building value in a business to improve its salability and the price it may command, as well as a discussion of succession and exit strategies. Free cash flow must be built in order for a business to have value that a potential buyer would be willing to pay for.

Koenig will also cover the basics of small-business valuation that can help dealers determine the potential dollar value of their businesses. *Koenig is an entrepreneurial consultant who co-owns and operates Big Poppi Bicycle Co in Manhattan, Kansas. He currently serves on the board of the NBDA and KanBikeWalk, and is a regular contributor to the NBDA newsletter Outspokin'.*

2:30 p.m. to 4:00 p.m.

Creative Practices for Service Department Management

Presented by Brett Flemming, Efficient Velo Tools.

Brett Flemming distills 35 years of service experience into a robust and entertaining seminar that offers strategies to double sales in the service department. Brett focuses on effective service writing, and stresses the importance of good marketing and consistent practices that can lead to improved customer service and stronger profitability.

Brett's systems, ideas, concepts and perspectives have helped many bicycle retailers transform their service departments to assure happy customers, happy employees and profitability.

Brett Flemming is retired from bicycle retail after 35 years with three great employers, and now works full-time in the bicycle tool business, Efficient Velo Tools.

4:30 p.m. to 6:00 p.m.

Secrets from the NBDA Profitability Project Revealed

Presented by a panel of bicycle retailers devoted to improvement

A select group of top bicycle retailers have been completely open with each other about their businesses for the last few years, shared their best ideas, and they have reaped the rewards. The NBDA's Profitability Project (P2) brings non-competing dealers together to share financial performance numbers and specific best practice ideas. P2 provides them a forum to compare notes and challenge each other to improve. In this panel discussion, successful dealers will share the principles they've learned, as well as the formulas and metrics you can use to work smarter and more profitably in 2015 and into the future. You will hear real-life case studies and learn how these successful retailers have improved in specific and measurable ways.

"We're living in a whole new world, and I go to Interbike to figure it all out."

I will have dozens of important conversations over three days – conversations that are critical to where I will place my bets in the coming months. What's hot? What's the biggest change for you? What has surprised you so far this year? I could walk around Interbike doing nothing but asking those questions and the trip would be worth attending for me.

I am really searching for industry consensus on where things are going. Not a published consensus, but the kind of vibrant, buzzing conversation that only unfolds when all the bees come home to the hive. Only when everyone comes together can you see all the different angles of perception and begin to form a picture that will affect your planning. For me, the things I learn on the show floor are critical and go straight into my off season planning. That's the most interesting part for me – that alone is the reason I attend.

*Tom Henry, Co-Owner and General Manager
Landry's Bicycles, Natick, MA*

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