

Who Shops at American Bike Shops?

Presented by

Bicycle Retailer
AND INDUSTRY NEWS



"The data show that core customers of U.S. bike stores are mostly male, older, more settled, wealthier and more married than the rest of the US. population.

We all knew that. What's surprising is how much older, more settled, wealthier and married they are."

Leslie Bohm, CEO Catalyst Communication
Bicycle Retailer and Industry News, Oct. 1, 2008

To face the bicycle industry's opportunities created by concerns with oil, health, and quality of life—let's understand our core customers so we can best leverage our product development and marketing.

This is a study of customers who have provided their names to bike shops for mailings or bike or service purchases. These core customers are the largest spenders and most open to a relationship with the store. And as the data reveal, they have substantial potential for building profitable relationships.

Not for a moment do we suggest ignoring other consumers. Rather, we suggest addressing consumers in proportion to their economic significance.

This is not only the first national study of this market segment, it is an unusually careful one based on a broad and large sample.

A fortunate coincidence revealed by this data, is that these core customers are settled community members more likely to be open to participation in bicycle advocacy projects.

Methodology

This 2008 study is based on 633,096 customer records from 115 bike shops in 50 states. A random sample of five percent yielded 31,633 names and addresses. These were matched against a national credit bureau database containing information from creditors, lenders and public records.

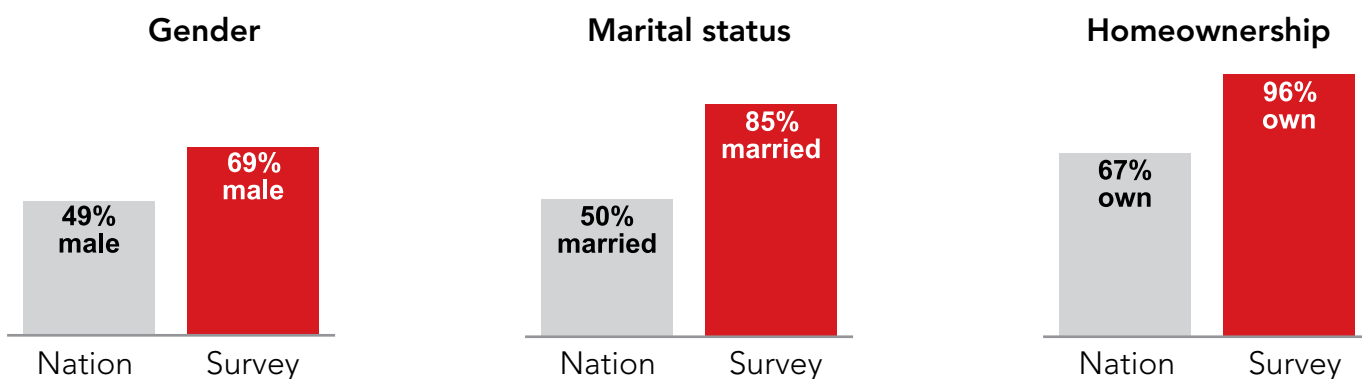
Out of the sample, 24,196 (76.5%) names were successfully verified to yield information about each individual's gender, age, marital status, and income. The match rate of over 76% is higher than normal and adds weight to the data's validity.

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Gender, Marital Status, and Home Ownership

- Bike shop customers are predominately **male**.
- Most are **married**.
- A significant majority **own their homes**.



Engage spouses and family

With 85% of your customers married, your team should push “quality time together.” Is your sales team asking:

- What does your partner ride?
- How can we help her/him enjoy bicycling?
- Do you know about this great place for family rides?
- Have you considered a bike vacation together?

Fill garages

More than 95% live in homes they own. Many live in neighborhoods with riding potential, and their homes have space for a primary bike and at least one or two more.

- Are you confidently presenting multiple bike sales?
- Are you expert at bike storage racks and helping customers keep bikes from cluttering garages?
- Have you actively presented the need for a home workshop w/ a bike stand and tools?

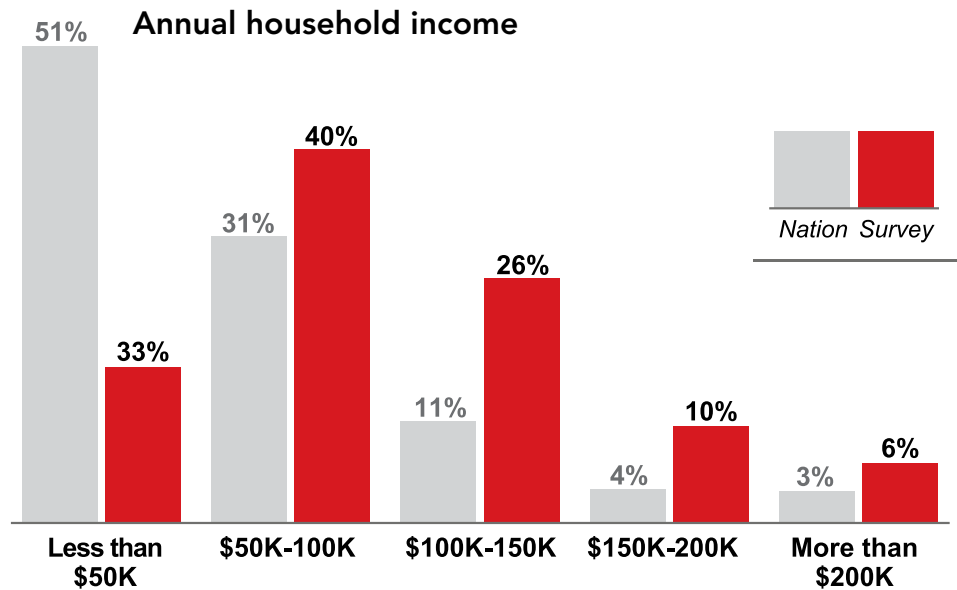
Think locally

These customers are settled, working members of their communities. As owners of real estate, these consumers will benefit from having more bike paths—help lead that effort. Active participation in local causes and organizations will attract them.

- Make your community involvement visible. Your customers respect civic engagement.
- Activate your customers in local bike advocacy causes. Bike trails increase property values and strengthen community bonds.

Income

- Bike shop customers are significantly **more affluent** than the nation as a whole.
- Significantly **fewer earn less than \$50K per year**.
- **More earn \$50K-\$100K per year**.
- Significantly **more earn more than \$100K per year**.



Sell high

As well as being older than most bike shop employees, they have more money. Much more money.

- Show these shoppers more expensive product because they can afford it and they are used to high quality in their other possessions. They understand that often, more expensive equipment is a better value.

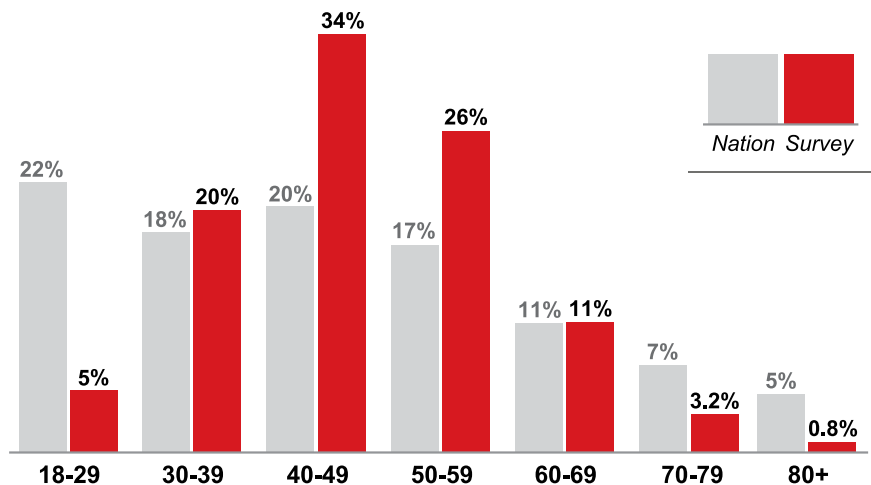
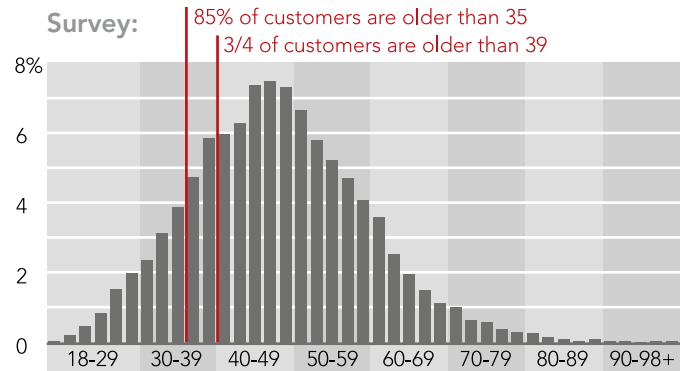
Respect their time

Many in this demographic group are busy taking care of kids and aging parents, as well as maintaining jobs, homes and community activities.

- Make their shopping experience as efficient as possible. They are busier and more rushed than the average sales clerk may recognize.
- Help these customers get the most from their limited time to ride. Learn their goals and help them attain them. Convey the value of riding at a variety of intensities. Suggest new places and events to ride.
- Heart monitors and power meters are perfect for busy people seeking maximum fitness.

Age

- Bike shop customers are **much older** than bike shop employees.
- **Few are younger than 30.**
- 85% are older than 35.
- 3/4 are older than 39.
- Many are in their 40s and 50s.



Does your staff relate to these customers and their importance?

Almost all customers are over 30. Twenty and 30-year-old product developers, marketers and sales staff must make special effort to understand, connect with, and respect these buyers.

- These consumers generally care more about health and longevity than extreme performance and radical riding.
- They understand value and can afford to spend more based on concepts like resale value.

Be able to relate

Nothing new here. Tattoos and piercings can work only if accompanied by a powerful, professional first impression of courtesy, respect and knowledge.

- Training young staff is crucial to achieve this. Relate to these folks as customers, not as parents.

General questions raised:

Is your advertising message/imagery relevant to these buyers?

- If your ads are created by young people, have they gotten feedback on them from older people actually buying the products?
- Are your print and web ads legible to a glasses-wearing buyer?

Is your choice of media on target?

- How are these consumers learning about what you sell?
- Consumer bike magazines penetrate only a small fraction of this group—how are you reaching them through the business and news media they consume, or at the community level where they live?

Is bicycling a baby-boom phenomenon?

- Will younger members of society become interested in cycling as they grow older and settle down?
- What needs to happen in society to ensure that younger Americans have favorable exposure to cycling early in their lives? Safe Routes to School?
- What opportunities can we promote for family activities that help transmit cycling interest from parents to children?

Resources

The Outdoor Industry Association has a wealth of free research on outdoor activities including cycling. Visit www.OutdoorIndustry.org to learn more. Two particularly relevant studies are:

The Next Generation of Outdoor Participants Report 2007

This Outdoor Industry Foundation (OIF) report provides insight into changing participation trends in outdoor recreation and highlights the activities of the next generation of outdoor enthusiasts. The report is based on an online survey capturing responses from over 60,000 Americans ages six and older. It covers 114 different activities and is the largest survey of its type examining participation in sports and outdoor activities. The survey represents a precedent-setting, collaborative effort among OIF, Sporting Goods Manufacturers Association, National Golf Foundation, and SnowSports Industries America. The 2008 Report will be available in late October.

Exploring the Active Lifestyle 2004

This 2004 study, conducted by Harris Interactive, provides ground breaking information on how, why and in what activities consumers enter the market, what sparks consumers' involvement in the outdoors and barriers to participation.