

I wouldn't spend time in Las Vegas if not for a good reason



Sorry for the dark & fuzzy picture, but it was dark and, I guess, fuzzy at the National Bicycle Dealer Association's award party for America's Best Bike Shops. And yes, Chain Reaction did make the list this year. We actually didn't apply the first two years, primarily because, well, it scared me. The written application was pretty extensive, covering all manner of details of store operations and planning, but the tough part was the "secret shopper" hired to check out all who applied. This meant that you lived in fear that on any given day, probably your worst, someone would come into the store and rate your staff and store on a variety of criteria. You wouldn't know who it is, or when.

But this year I did apply, and we made the cut. Was I surprised? Well, frankly, I had concerns. I think any owner of any business would have concerns, because you spend a fair amount of time worrying about and working on things that didn't go exactly as planned. You have to. When you're owner, that's where the buck stops.

For now, a sigh of relief, and almost kinda sorta looking forward to next year.

That's not the only reason I'm in Las Vegas though; as a member of the Board of Directors of our trade organization, there are a lot of weighty issues facing us, much of it dealing with the manner in which dealers embrace or avoid on-line sales of product. Many of our customers would like to buy from us (local bike shops) on-line simply because it's convenient, but it means setting up special websites and back ends and many of our members would like to believe it can all be avoided if we as a trade organization put our foot down and simply forbid it. Yeah, right, as if that's going to happen! In our case, we've allowed customers to make purchases from us via our website on-line, but only for in-store pickup. The thinking is that we're here for our local clientele's needs, not someone thousands of miles away.

There are also changes afoot in how manufacturers view retailers like us; for example, our biggest partner, Trek Bicycles, has decided to allow customers to buy product directly on their website and, if it's a bike, ship it to a dealer the customer designates for assembly & pick up. The problem? There is no chance for the retailer to intervene and make sure it's the right type of bike for the customer, or the right size. If something's not quite right, we, the retailer, are required to put it into our own inventory, even if it's not a model we normally carry. And, instead of us making the "sale", we receive a "service commission" that represents an amount below our costs of doing business.

Trek's thinking is that these will be sales we wouldn't have otherwise received; my thinking is that, in most cases, these will be people who have already come into our store to check out the bikes but didn't decide to actually buy one until later on, maybe at home, after the kids have gone to sleep, whatever. Because they clicked on some sort of a "buy now" button on Trek's website, and chose Chain Reaction for the dealer, they will likely believe that Chain Reaction made the sale, no different from buying it in the store.

The customer loses out because their first in-person experience with the new bike they ordered might be a disappointment when they and the shop discover it's the wrong size or just simply inappropriate for how they're going to ride. Things that wouldn't have been as likely had they ordered it from our website (not Trek's) because we have a sort of super-concierge service on every order placed on our website; we contact the customer within 12 hours (often much less, but if you place an order at 11pm...) and confirm that it makes sense. Of the past 30+ bikes customers have ordered from us via our website, over 20 became a different size or model.

The customer also loses out from a limited buying experience, since they can't try out a bike on-line. Not everybody needs to, but there's a lot about a bike that can't be easily put into words and pictures on-line.

And finally, the customer loses out if their local bike shop no longer has a viable business model and isn't there for them if they need their bike serviced, or they've discovered their tire's damaged and they have a big ride tomorrow, or there's one less business voice in front of a city council, asking for safer riding conditions.

So yes, the future will be interesting! More on this as it develops. Meantime I need to get some sleep before my last day at the show.
--Mike--