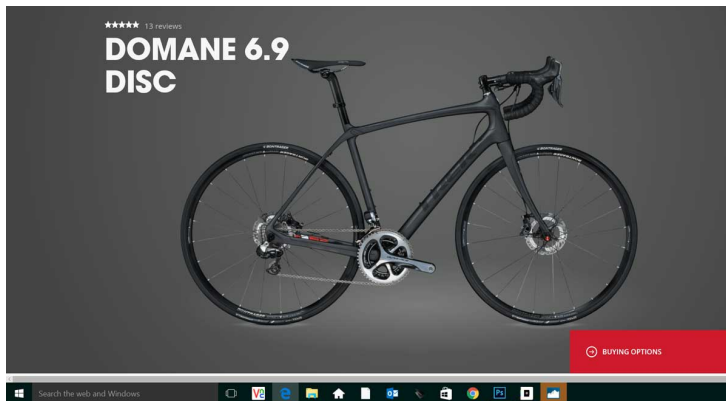


Why you should buy from ChainReaction.com and not Trekbikes.com



From Trek's website- if you're researching a bike and see "BUYING OPTIONS", would you be thinking the only place it will direct you to "buy" is from Trek's own website and not your local dealer, who might have it in stock?

At last August's TREKWorld, a yearly show and training program for Trek dealers across the country, Trek unveiled a new way for consumers to buy bicycles. Trek Connect. A consumer can go on-line and order a Trek bicycle, any Trek bicycle, and have it shipped to the local dealer of their choice for assembly and pickup. Trek came up with this idea because websites are 24/7 (always available) while the brick & mortar retailer has regular mostly-daytime hours which don't always match up to customer buying patterns.

I'm fine with the idea that a customer might not decide to buy a bike while in the store, but they get home and, after things have settled down, decide to bite the bullet at 10:15pm and get it. That's how a lot of people, sometimes including me, shop these days. That's why we allow people to do exactly that, on **our** website. You can order a bike on line at www.ChainReaction.com and you're going to get treated exactly the same as a customer coming into the store. We're going to contact you and make sure the bike makes sense, and possibly request that you come in to get measured. We're not going to let you buy a completely-wrong bike that wouldn't be any fun to ride. You'll also benefit from our price guarantee that Trek will not have a better price on their website, and our price will sometimes be less. Best of all, in most cases we'll have the bike in-stock and ready to go.

What if you order from Trek's website instead?

- Bike is shipped from Trek to Chain Reaction, and then assembled. Delay of 3-5 days.
- Bike is actually sold by Trek, at Trek's price (which may be higher than Chain Reaction's), and does not include any promos normally offered by Chain Reaction.
- If bike is wrong size or type, transaction is refunded through Trek, not Chain Reaction (but you may then buy the right bike from us).

So why would anybody order a bike through Trek's website instead of Chain Reaction's? No good reason I can think of, unless you don't live near us. Many in rural areas may have trouble finding a shop that carries the model they're interested in, and I think that's what Trek's new program is trying to fix. Trek wants to make sure anybody who wants a Trek, any model Trek, can buy one. We agree! The problem with the new program is that it encourages our local customers to consider buying through Trek's website, instead of our own, and that is to the customer's disadvantage.

And yes, selfishly, it's to our (Chain Reaction's) disadvantage as well. First, because it's going to be tougher to create a happy, long-term customer if it's possible their first introduction to their new bike, which they ordered from Trek, might be just totally the wrong thing. And second, yes, financially it's better for us if we are selling bikes from our own stock. We have over \$1.5 million in inventory, so that we can take care of what customers need today. A bike that's sold by Trek instead of us means we have one more bike taking space on the floor instead of creating the dollars needed to keep the business running (you know, pay health insurance

for our employees, rent, taxes, the usual stuff). Finally, what Trek gives us as a "service commission" for assembling the bike and taking care of the customer is significantly less than what we earn when we do things the "old fashioned way."

You should, and can, have the best of both worlds. Buy the bike from us in the store, or on our website, and we'll offer a better value & experience than offered by Trek's on-line store.

Thanks- Mike & Steve Jacoubowsky, Partner, Chain Reaction Bicycles www.ChainReaction.com