“This is going to be the next big thing”

Gary Fisher,
Godfather of the modern mountain bike

2014 Interbike Awards Gala

THE BICYCLE INDUSTRY
SPECIALITY RETAIL SELL-IN

- RETAIL MARKET SIZE (UNITS) GROWING, BUT RELIABLE DATA IS LIMITED
- THE SPECIALTY (IBD) CHANNEL IS BEGINNING TO HAVE SUCCESS
- A FEW KEY SUPPLIERS REPORTING A DOUBLING IN REVENUE Y/Y
- OTHER FRAGMENTED RETAIL CHANNELS STILL EXIST, BUT IN DECLINE AS MORE LOCAL BIKE SHOPS STOCK EBIKES
- UNDEFINED OR AMBIGIOUS REGULATIONS ARE IMPEADING GROWTH (NOTE: EU)

SOURCE: NAVAGENT RESEARCH 2013
THE CONSUMER
SPECIALTY RETAIL SELL-THROUGH

- SPECIALTY RETAIL MARKET VALUE (DOLLARS) UP 48%* YEAR OVER YEAR, BUT COMPLETE MARKET IS DIFFICULT TO ESTIMATE DUE TO UNRELIABLE DATA

- SPECIALTY RETAIL AVERAGE SELLING PRICE (DOLLARS) UP 60%* YEAR OVER YEAR

- AGAIN, UNDEFINED OR AMBIGIOUS REGULATIONS ARE IMPEADING GROWTH (NOTE: EU)

*SOURCE: NPD / LEISURE TRENDS
DEMOGRAPHICS

✓ 58% AGED 45 - 64, 25% AGED 25 - 44
✓ 63% MALE, 37% FEMALE
✓ 72% COLLEGE DEGREE
✓ 52% HOUSEHOLD INCOME > $100K

SOURCE: ANA PRODUCT REGISTRATION 2014
CONSUMER NEEDS

- 33% ERRANDS / COMMUTE TO WORK
- 32% RECREATION / LEISURE
- 28% EXERCISE / FITNESS
- 7% MEDICAL CONDITION

SOURCE: ANA PRODUCT REGISTRATION 2014
ECONOMIC DRIVERS

- 18% SAVE MONEY / REPLACE A FAMILY CAR
- 34% SAVE ON COMMUTING / PARKING COSTS
- 22% SAVE TIME / GET TO DESTINATION FASTER
- 26% NO FINANCIAL REASON

SOURCE: ANA SOCIAL MEDIA POLL
TOP 5 ADVANTAGES / DISADVANTAGES

ADVANTAGES
✓ INCREASED SPEED / RANGE
✓ RIDE WITH LESS EFFORT / HELP ON HILLS
✓ HEALTH BENEFITS
✓ CHEAPER TRANSPORTATION
✓ FUN

DISADVANTAGES
✓ WEIGHT
✓ INCLEMENT WEATHER
✓ NONE
✓ COST
✓ LIMITED RANGE

SOURCE: OTREC ONLINE SERVEY 2013
EXISTING MARKETS

✓ TRANSPORTATION
✓ RECREATION
✓ SPORT / FITNESS
POTENTIAL MARKETS (UNREALIZED)

✓ BIKE SHARE / FLEETS – CAMPUS, CORPORATE
✓ URBAN PACKAGE DELIVERY / POST
✓ PEDICAB / PEOPLE MOVING
IN SUMMARY

✓ THE N.A. BICYCLE INDUSTRY IS WAKING UP TO EBIKES
✓ RETAIL PRICES ARE NOW ON PAR WITH EUROPE (ALLOWING FOR QUALITY, PERFORMANCE AND RELIABILITY)
✓ ACCURATE MARKET DATA IS LACKING
✓ REGULATIONAL CLARITY IS IMPEDING PROLIFERATION
✓ BOOMERS AND MILLENNIALS ARE THE PRIME DEMOGRAPHIC
✓ EBIKES MAKE BICYCLING MORE ACCESSIBLE and PRACTICAL FOR REAL TRANSPORTATION
✓ UTILITARIAN OPPORTUNITIES ARE JUST BEGINNING TO BE CONSIDERED
ADDITIONAL RESEARCH NEEDED

✓ PRODUCT SAFETY STANDARDIZATION
✓ SAFE PLACES TO RIDE
✓ ACCESS TO BICYCLING INFRASTRUCTURE
✓ INTERACTIONS WITH OTHER ROAD and TRAIL USERS
✓ STATE and FEDERAL LEGAL AND LEGISLATIVE ISSUES
✓ BROADER STUDIES OF EXISTING USERS
✓ STUDIES OF POTENTIAL USERS
✓ IMPACT ON PHYSICAL FITNESS

WHAT ARE THE BIG AREAS OF ADDITIONAL RESEARCH THAT WE NEED TO MOVE IN?
THANK YOU

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