

Making Money When the Customers are Old, Fat, and Gasoline is \$4 per Gallon!

By Ed Benjamin, LEVA chairman and managing director of eCycleElectric Consultants

I was a bike racer, then a bike shop owner, then owner of 4 stores. Now I call myself a recovering retailer, and pay respects to those still in the fray.

Somehow, I became a pretty average baby boomer. I have grandkids, a pickup truck (!), gray hair, and a belly. I am one of the old fat guys that I used to deride.

Have you noticed that there are a lot of old fat guys (and gals)? Baby boomers have been the largest buyers of high-end bikes in human history.

You may not be seeing us in your bike shop. We still enjoy cycling, except that gravity went up and our wind went away. And our shoelaces are hard to see now.

But there are some bikes that are particularly attractive to our situation.

Most consumers regard the electric bike as more useful, and valuable than a pedal bike. Note that I said "most consumers." Most consumers do not shop in bike shops. And that is a problem. And it is an opportunity – for electric bikes are attractive to a lot of people you don't attract now.

Ebikes can expand your market, at a higher margin, and a larger ticket.

Every time the bicycle has become easier to pedal, or more comfortable, bike sales have boomed.

Now we can offer the easiest to pedal, most advanced bikes in history at the moment that both gravity and gasoline prices are ratcheting upward.

Gas prices are good news for bike dealers. Because America has a transportation cost problem, and we have part of the answer.

Buying bikes is one of the ways Americans react to fuel prices. The 70's bike boom was part gas price, and part lines at the pump. But in the 70's America was much younger. The bike buyer of 1972 is an electric bike buyer in 2011.

In 2008, fuel prices emptied all distribution of the few ebikes that were on hand. Constricted supplies from China (2008 Olympics shut down many factories) meant no quick resupply. And the period of high price was short.

This time, the period of high price is likely to be long. The turmoil in the mid east, combined with expanding use of autos and energy world wide...

Anecdotal reports say USA retailers are reporting strong increase in sales of ebikes. Sierra Magazine says 12% of their readers plan to buy an ebike. Amazon says sales of ebikes up 6000%! My customers (I help importers and bike brands with developing and buying electric bikes) are busy, and nearly frantic to increase their orders. And this is not just happening in America.

Did you know that in Holland 1 in 4 bikes sold is electric? In Germany it is 1 in 8, in Switzerland, 1 in 10. And climbing. Bike dealers and brands in Europe say that

their profits come from electric bikes. About 1.1 million ebikes, most of them above 1300 Euros were sold in Europe last year. That is up from about 200,000 only 6 years ago.

There are about 119 million ebikes in service today, world wide. About 31 million were sold last year. That makes ebikes more than 20% of the world bicycle market, and far and away the largest dollar value.

I suggest that it is time for American IBDs to take part in this. There are many excellent bikes now, from reputable brands.