

DIRK ZEDLER

QUO VADIS, INDEPENDENT BICYCLE DEALER?

Delivery delays, supply bottlenecks for spare parts, long lines in workshops, lack of skilled personnel – bike dealers are currently facing a sea of challenges. So what can be done to ensure that business thrives in the medium and long term?



photo@zedler.de

At a time when some manufacturers have resorted to delivering e-bikes without batteries and when ordinary spare parts like inner tubes, tyres or brake rotors take several months to arrive, many dealers find their nerves extremely strained. Add to this the fact that a lot of manufacturers no longer offer the option to re-order bikes after the first batches have been sold, which means that pre-order volumes need to be increased without actually knowing when the goods will arrive, and if they will sell in due time. In addition to this, processing bike leasing applications is often an intricate and time-consuming occupation in and of itself. With all these worries pressing them day by day, many dealers are experiencing liquidity problems.

As things look at the moment, the bicycle trade isn't expected to achieve any calm before mid-2024 in the major markets. Therefore, business as usual is not a viable option for many, probably most, bike dealers.

Not a few insiders think the bike industry is approaching an upheaval of unknown magnitude. The sales boost from e-bikes and the pandemic will likely be followed by a market shakeout, which means many dealers will have to close their stores sooner or later.

For this reason, and despite the prevalent high work pressure, it is high time that some current issues were addressed decisively.

Solving bottlenecks in the workshops

Taking a more positive slant, one might say workshop capacities are being well utilised. But thinking ahead, this situation actually has the potential to wreck businesses. Customers are forced to accept waiting times of several weeks. Instead of going out on fun rides, the bike collects dust. This is frustrating and increases the risk that the customer might not come back. What's more, many dealers decline working on bikes from other dealers or sales channels. It does not take long for a dealer to gain a reputation of arrogance in their community, and the chance of winning a

customer through good work is lost.

Customers generally find waiting less and less acceptable, as we all can attest when looking at our own behaviour. But if we keep being honest, many of the ills plaguing customers could be solved in a few minutes. In many cases the bike could be back on the road in no time.

It might therefore be a good idea to consider offering a quick-repair option. This would resemble what successful supermarkets do when serving customers with few items at a separate checkout, as well as the three-minute rule popularly followed by managers. According to this method, which I have successfully tried myself, every new task should be completed immediately as long as this does not take more than three minutes. If, on the other hand, such a task were merely added to the to-do list, it could easily take 10 or even 15 minutes, simply by looking at it and thinking about it repeatedly.

In our case, that means a flat tyre just needs a new inner tube without further ado. This can be done in the time it would take to explain to the customer that there is no time, and why.

When the customer goes to pay, that's the time to quickly explain everything in passing and document all the other little things that may have caught the technician's eye and require a checkup or repair.

Making the workshop more efficient All that is needed for such a quick-repair area is a free bike repair stand with all the basic tools and an air compressor for pumping up tyres within reach. It may also be worth considering a truing stand with dial gauges to suss out if wheels are out of true. The most common wear parts, such as tyres, tubes and brake pads, should also be close by.

That is another thing supermarket checkouts can teach us, because this is where the 'fast movers', spontaneously bought items, are available.

Depending on the available space, this area could also serve as an attrac-

tive point of call where bigger inspections are taken on. At such a point, the bike and its issues are reviewed and checked with the customer at a date and time fixed by phone or e-mail, so the job can be booked in and the customer told how much they might expect to pay for the maintenance job as a whole.

Raising rates

There are still quite a few bike dealers charging significantly less than 60 euros per hour for their services. No workshop with the complete range of tools, the diagnostic computer for e-bikes, electric or pneumatic repair stands and the complete space required is able to cover its costs at such rates.

Despite our industry know-how in all things carbon, despite our leading skills in electromobility, many among us are lacking in confidence, and most keep selling themselves short.

Looking at car repair shops, 120 euros including VAT is the norm in authorized workshops and service centres. A typical Porsche centre shows no hesitation in asking for twice that much – and they only deal with steel and aluminium.

So why should we not charge three-figure rates per hour, at least in urban areas?

Need more convincing? The average sales price of a bike, across the market as a whole, has roughly tripled over the past 10 years. This is due to more technology and more functions, leading to more enjoyable riding. In contrast to this, the prices charged by workshops have increased at a much lesser rate, by roughly 50 % according to estimates. Something does not add up.

Higher income from the workshop also makes it possible to pay higher salaries – a chance to attract qualified staff with good pay, beside working in a cool industry.

Quick turnaround – Good quality – Low price...pick two!

This motto, which is generally applicable everywhere, seems like a world removed from our industry today. As many customers see it, many local dealers do not even provide one of those three points.

After the tremendous sales boom of the past three seasons, frustration due to poor service could prevent the much-needed change in the mobility landscape from ever happening. A bike that is not rubber side down and on the move is a bike that does not bring its owner to work or to the beer garden, making any purchase in the future unlikely.

That is why the workshop culture needs to change if local dealers are to survive, because internet providers are better at selling and customers will increasingly turn to YouTube tutorials to tinker with their bikes. ■ Dirk Zedler



Dirk Zedler (photo©Bernd Lammel)

DIRK ZEDLER

Since 1993, Dirk Zedler has been an analyst and expert witness on bicycle accidents and product failures for courts, bike and insurance companies, and private individuals. He got his start in the industry by working for a large bike shop from 1986 on, and now holds the respected advanced engineering degree known as "Diplom-Ingenieur."

Courts have recognized Zedler as an officially appointed and sworn expert on bicycles since 1994, and on electric bicycles since 2014.

The Zedler – Institute for Bicycle Technology and Safety has used this wealth of knowledge, derived from his and his teams work in thousands of court proceedings and expert's reports not only in Germany but from the US to all over Europe, to enhance research and development in the bicycle industry.

The Institute sets the standards for the bicycle industry. It develops and builds testing equipment that is used by manufacturers to improve the riding performance and safety of their bikes, and by leading European bicycle magazines to test them. The Institute's work provides a basis for European and American manufacturers to communicate with their Asian suppliers. Manufacturers can buy test equipment from the Institute or use its state-of-the-art testing labs.

The Zedler Institute also prepares risk analyses, conformity papers, workshops, recall papers und user manuals for bicycles and pedelecs. These manuals, now available in more than 40 languages, help consumers use their bikes properly — and in many cases have protected manufacturers from liability.

For more information, visit www.zedler.de.