

## The New Business Cycle

Makers Push Comfy Bikes

Aimed at Commuters;

Mud Flaps, LED Lights

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A radical idea is sweeping the world of American bicycle manufacturing: building bikes that people will use for actual transportation.

After decades of pushing models designed for recreation, from full-suspension mountain bikes to ever-faster road bikes, industry heavyweights are now moving into commuters -- rugged specimens made for riding to work. Nearly every major manufacturer has a new or revised commuter model for 2007. They may look like 1940s Schwinn's, but materials like aluminum and carbon make the frames lighter, while technological advances mean better brakes, shock-absorbing seats, smoother shifters and even electric power. The models usually come with practical accessories, like racks for carrying briefcases, fenders for splash protection on wet roads, lights that turn on automatically at dusk and big chain guards to keep legs and clothing away from chain grease.



Electra Amsterdam Classic

Specialized's new Globe commuter line has nine selections, from \$410 to \$1,300. The 2007 Transporter from Diamondback is billed as an "AWB" (All-Weather Bike), thanks to fenders and lightly treaded, all-purpose tires. Manufacturer Breezer, which came out with its first commuter models in 2002, has added a new version of its Uptown 8 this season, with LED headlights, more comfortable handlebars, a full chain case and more puncture-resistant tires.

Europeans, of course, have been riding commuter bikes for decades. In Holland, there are twice as many bikes as cars, and nearly as many bicycles as people. Now, in the U.S., the industry is pitching the new models as gas prices remain high and concerns over obesity grow. They also come as cities and states move to become more bike-friendly.

### BUSINESS CYCLE



[See a rundown](#) of the latest commuter bikes.

Last month, New York City's Department of Transportation announced it will add 200 miles of new on-street bicycle paths, lanes and routes over the next three years. Florida just implemented a new state law that requires motorists to maintain a minimum three-foot distance when passing bicyclists -- following similar legislation in Arizona, Minnesota, Oklahoma, Utah and Wisconsin.

Whether many Americans will trade their cars for bikes remains to be seen. Sales of commuter bikes rose 15% over the past two years, according to Boston-based Bicycle Market Research Institute. However, at an estimated \$900,000 in annual sales, it is still a small niche. Less than 0.5% of Americans commute by bike, according to the 2000 U.S. Census report. "There's no way it will happen here," says Bicycle Market Research Institute President Ash Jaising, who projects the segment's rise in sales will slow to 5% to 10% over the next two years. "The roads are just too dangerous."

Manufacturers are trying to attract newcomers, with the hope that the commuters will go on to buy road and mountain bikes for fun. "It's a first bike," says Dan Grunig, executive director of advocacy group Bicycle Colorado. "It gets you into shape and healthy to the point where you're interested in biking as a recreation."

#### A Gym Alternative

Ernie Soloman isn't entirely new to bicycling, but his 20-year-old ride has long gathered dust in the garage. "I kept meaning to ride it, but I never did," he says. A couple of months ago, the Alameda, Calif., contractor decided he should start biking to work for exercise -- and the local shop wanted to charge \$400 to repair his old model. Instead, he bought a Specialized Globe. He now makes the two-mile commute by bike three days a week.

Saving the world is one part of the pitch. "Think about some of the major problems we face in our time -- air pollution, ozone depletion, obesity, high blood pressure, stress -- it's obvious that if you can succeed at getting noncyclists on bikes more often, all these problems will become a little smaller," says a blurb for the Globe in Specialized's 2007 catalog.



Diamondback Transporter

It is also a chance for the industry to jolt itself back to life. Last year, 19.8 million bicycles were sold in the U.S., according to the National Bike Dealers Association. While that number has grown over the past few years, unit sales are down 5% from 20.9 million five years earlier. An estimated 41.4 million Americans age 7 and older rode a bicycle six times or more in 2002, according to the latest figures from the National Sporting Goods Association. That's down from 54.6 million participants in 1992.

Some specialty-bike shops are playing up the new models as they face increased competition from mass-market retailers like Wal-Mart Stores Inc. and Costco Wholesale Corp. Last year, there were 4,705 specialty stores in the U.S., down 24% since 2000, according to the National Bicycle Dealers Association. Fred Clements, the group's executive director, says the shops tend to attract "enthusiasts" -- mostly higher-income white males. The association is about to embark on a marketing campaign called "The Bike Shop Advantage" to demonstrate how specialty stores can help all kinds of customers. "One of our challenges is to broaden our reach," he says.

A year ago, Fat Tire Cycles in Albuquerque, N.M., featured an array of road, mountain and hybrid bikes inside the front door. When owner Steve McCampbell gets the latest 2007 models, he will park three of Electra's new \$550 Amsterdam commuter bikes (in white, black and blue) at the entrance instead. "I'm absolutely convinced they're going to fly out the door," he says.

But in the bike industry -- which has niches within niches -- something as simple as a bike to ride to work can get confusing. Many other bike categories already overlap; it can be hard to tell the difference between cruisers (often colorful, heavy bikes for running errands), comfort bikes (with wide seats and upright positioning, often aimed at older riders) and Townie bikes (often for college kids to get around campus), for instance.

#### Dutch Styles

The commuter category is already starting to subdivide and blur. Some models, with names like Continental and Amsterdam, are influenced by European styles. "We really wanted to capture the feeling and essence and aesthetics of the classic Dutch bike," says Jeano Erforth, co-founder of Electra Bicycle Co. Like many Dutch versions, its \$550 Amsterdam has a fully enclosed metal-chain cover, coaster brakes (that require pedaling backward) rather than hand brakes, a coat/skirt guard that partially covers the rear wheel, steel

fenders and a front mud flap. It also features leather hand grips, a generator-powered headlight, a rear rack and a bell. The maker is targeting Americans who have "traveled to Europe a lot and seen how much of a lifestyle biking could be," says Mr. Erforth.

Netherlands-based Batavus is introducing models in the U.S. for the first time this year, through Seattle Bike Supply, in response to emails from Americans who said they were interested in buying.

Specialized wanted a more homegrown style with its new Globe line, says project manager Deacon James. The bike is more lightweight than many Dutch models and is built to enhance the feeling of speed. "The U.S. market is all about recreation and excitement and adrenaline and fun," he says.



Ellsworth Handcrafted Bicycles The Ride

For Americans who don't want all the exercise, electric bikes are now being lumped under the commuter umbrella as well. The \$1,999 IZIP electric bike, out from Currie Technologies this year, uses a lithium phosphate battery and bills itself as a hybrid: The more you pedal, the more the motor kicks in. The \$1,699 Schwinn Continental has a battery that plugs directly into the bike's rack. Both are made to look more like a regular bike than a moped.

Another commuter variation is the folding bike. Los-Angeles based Dahon, which produced its first folding bike in 1982, had 10 new versions in 2006. Monty Bicycle, based in Spain, introduced five new models for 2007, while Breezer introduced two. Trek plans to bring out a new folding bike for 2008. Still, some American dealers are resistant to the idea. "You have to be a scientist to know how to put them together," says Rick Garner of Yosemite Bicycle & Sport in Oakhurst, Calif.

New shifting systems are making bikes easier to use. Ellsworth Handcrafted Bicycles -- better known for its full-suspension mountain bikes -- is introducing a gearless commuter model called The Ride. A new type of hub lets riders change modes for hills or speed by twisting the handlebars. Last month, Japanese component maker Shimano released a three-gear automatic shifting system called "coasting" that will go on some 2007 Raleigh, Trek and Giant models.

More niches are ahead. Sport-utility bikes are evolving from largely custom-built models into models that can accommodate another adult or a couple of children on the back. "Fat tire" bikes, for riding over mud, snow, ice and sand, are gaining ground as well. A frame from Surly, called the Pugsley, accommodates 3.7-inch wide, low-pressure tires -- almost double the average 2.1-inch width on a mountain bike tire.

Amy Morfas already has two bikes: a \$2,500 titanium road bike and a cyclocross bike (a road bike with wide tires originally made for racing) that she rides to work when the weather is good. With gas prices so high, the marketing manager from Boulder, Colo., would like to start commuting in the winter now, too. Her road bike is too expensive and her cyclocross bike doesn't do well in rain or snow -- but so far, the commuter models she has seen are all too "cool" or too "geriatric," she says. "I'm still waiting for the right one."

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#### How Wheeler-Dealers Get to Work

The push into commuter bikes this season has most major manufacturers putting out new or revamped models. Here's a rundown of the latest.

BIKE	COST	COLORS	COMMENT
Batavus Vivente	\$1,549	Black, silver	Batavus is exporting to the U.S. for the first time this year. The aluminum-frame Vivente has a computer that tracks speed and distance, a built-in light and an integrated lock.

<b>Breezer Uptown 8</b>	\$1,099	Ruby red, black sapphire	Updated with several new features, including an LED headlight system, more comfortable handlebars, a full chain cover, and tires that won't puncture as easily.
<b>Cannondale Street Premium</b>	\$1,300	Fine silver	Billed as "the civilized way from A to B," this commuting bike is also sold in standard and women's versions. Too many potholes in the road? Model comes with front suspension.
<b>Currie Technologies IZIP Urban Cruiser NuVinci</b>	\$1,999	Focus silver	This bike bills itself as an electric hybrid: The more you pedal, the more the motor kicks in. Its NuVinci "continuously variable transmission" system eliminates gears.
<b>Diamondback Transporter</b>	\$450	Dark gray	The Transporter is the company's first foray into commuter bikes. Diamondback calls this a "rugged and reliable urban utility and transportation" bike.
<b>Electra Amsterdam Classic</b>	\$550	Black, green, white, blue	Modeled after Dutch commuter bikes, this new offering from the maker of stylish cruisers has double-chrome plating in the handlebars. Aimed at people who have traveled to Europe.
<b>Ellsworth Handcrafted Bicycles The Ride</b>	\$2,995	Red, white, black	A departure for the maker, which is known for its full-suspension mountain bikes. There are no gears -- riders change the drive ratio by twisting the handlebars. Out in December.
<b>Schwinn Continental</b>	\$1,699	Charcoal, silver	An electric bike designed not to look like one, with a battery that plugs into the rack. The Continental resembles European commuter bikes -- only without fenders or chain guards.
<b>Specialized Globe City 3.1</b>	\$1,200	Black	Specialized added the commuter bike category to its 2007 lineup. Comes with a rack, fenders, chain guards and a lighting system with LED in rear and halogen in front.
<b>Trek Portland</b>	\$1,699	Burnt orange	Trek's 2007 commuter bike is closer to a road bike than most others in the category, with drop-down handlebars and a carbon fork. Its disc brakes can be an advantage on wet roads.

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