

## Are We Going the Way of Book and Camera Retailers or Can We Shape a Better Future?

In the recent CNBC video segment “Who Will Amazon Take Down Next?” *Wall Street Journal* marketplace editor Dennis Berman stated that Amazon.com is “destroying retail and retail conventions up and down the supply chain” adding “... it seems inevitable that they will get into more and more specialized categories.”

Amazon and others like it are targeting the bicycle market. The value propositions of these competitors are convenience, selection and for some brands, price. They are well funded and gaining traction with suppliers and consumers due to superb execution. As a result consumers are being lured away from local specialty retailers.

Yet, these companies are vulnerable. They can't compete with the personal touch and expert assistance of local specialty stores. They can't give consumers what they want most: a seamless experience between online convenience and local brick-and-mortar service. We need to exploit this advantage. **If specialty retailers can deliver a similar online experience while also providing service, expertise, community and the option of same-day product pickup, that's a home run (actually it's a grand slam).**

Retailers, however, can't do this without key support. Suppliers, first and foremost, must embrace the specialty retailer as being centric to their sales strategy. Second, suppliers need to make their inventory visible to consumers via retailers' websites. Third, suppliers need to protect their brands through a MAPP policy. Fourth, allow consumers viewing products in suppliers' websites to buy them now from local stocking retailers.

Some suppliers are already leading the way. Under John Burke's leadership, Trek put local retailers at the center of its online strategy. In his letter to retailers, Specialized's Mike Sinyard reinforced the importance of choosing the right partners.

SmartEtailing's Supplier Sync and Supplier Fulfillment initiatives provided a foundation that redefined how suppliers and retailers can work together to delight consumers. A recently announced initiative, Buy Local Now, is going to be a game-changer. It will drive online consumers to local retailers and every specialty retailer can participate, whether using a SmartEtailing website or not.

Developing this technology in a timely enough fashion, however, will outstrip SmartEtailing's resources. That's why SmartEtailing Co-Founders Barry Brenner and Mark Graff and Steve Flagg are pleased to announce Steve is making a majority investment in the company. To be clear, this investment is not being made by Quality Bicycle Products. It's an investment by Steve to provide SmartEtailing the resources necessary to develop a retailer-centric, supply-chain solution. Flagg's investment does not change how SmartEtailing operates and its independence.

SmartEtailing's clients and all participating suppliers can continue to count on the company's services from the same offices with the same people and commitment to helping the specialty retail channel.

It's too late for the book and camera industries but it's not too late for our industry. Today we are acting to shape the future. We invite you to join us.

Barry Brenner

Mark Graff

Steve Flagg