



Channel Mastery Podcast, Episode #83: Kristin Carpenter-Ogden Interviews
Erik Saltvold of Erik's Bikes, Board and Ski

Special Episode Shifting Channels in the Specialty Bicycle Market,
Part 2: Evolving the Brand to Retail Specialty Relationship

Second in a series on the evolution of channels in the bike market and cycling community, co-presented by Verde Brand Communications + Bicycle Retailer & Industry News

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- Kristin: [00:08](#) Welcome back everyone to another episode of the Channel Mastery Podcast. This is another episode in our special series of content where we are dissecting the evolution of channels in the specialty market of selling bikes.
- Kristin: [00:23](#) So I am so excited to introduce a return guest today, Erik Saltvold, who is the owner and founder of Erik's Bike Shops. Welcome Erik. It's great to have you back on the program.
- Erik Saltvold: [00:33](#) Well, thank you. Good to be back.
- Kristin: [00:35](#) Yep and we are connecting right in the beginning of April 2019, just so everybody has a little bit of time peg. I know you're getting ready to go on tour out to BLC and Sea Otter. It's just a great time of year for us to touch base and get your takes on how everything is evolving in terms of consumer expectations, their research habits, the relationship between brands and retailers. There's just so much I'm excited to get your take on.

Kristin: [01:01](#) So, let's start by, just for new listeners to the show or people who may not be familiar with you, because obviously we cater to a lot of specialty markets. Please, just give a quick introducing in who you are and what you do.

Erik Saltvold: [01:14](#) Sure, so I started in the bike business at the age of 13 in 1977, started a shop in my parent's backyard in Richfield, Minnesota. Other than a paper route it's the only job I've ever had, so I had the business all through high school, working through my parent's back yard. And when I was a senior in high school I moved into a storefront into my first real store, and-

Kristin: [01:38](#) That's awesome.

Erik Saltvold: [01:38](#) From there we've grown to 30 stores in six states, and a big online presence where we peak out at about 450 employees, we just had [inaudible 00:01:51]. It's a great business, great industry to be a part of, and something that I never worked a day in my life.

Kristin: [02:02](#) That's how I feel about my job.

Erik Saltvold: [02:03](#) Yeah, well cool.

Kristin: [02:05](#) So, quick question, and actually more just an insight for my amazing audience. You do a lot more than bikes at Erik's Bike Shop. So tell us about-

Erik Saltvold: [02:13](#) We do. It's actually Erik's Bike, Board and Ski. So we, a number of years ago, expanded to snowboards. We then expanded into ski, and recently we expanded into a new category which is we sell TAXA trailers, which is a camping trailer. For listeners, if you haven't gone to their website, TAXAoutdoors.com, really cool product. We have that in a number of stores. So, we're always trying to do things that we feel would appeal to our customer base and appeal to the lifestyle that people are trying to live with the products we sell, and to try to always be relevant to what they're interested in and have interesting experiences for them in the store.

Kristin: [03:03](#) And I gotta tell you, we now are obviously a proud partner of TAXA Outdoors as well. It's so cool-

Erik Saltvold: [03:09](#) Yep.

- Kristin: [03:09](#) -that you guys are literally path burning in terms of like a new dealer model for them, and I say dealer because that's what they, in that space, they call their retailers dealers, and the brands are OEMs. And I just feel like the more I get to know that brand the better of a fit and more excited I am about their future in terms of the way they're thinking about things. So, again I just am so excited that that's one of your brands in your portfolio, it's really cool.
- Erik Saltvold: [03:36](#) Yeah, cool. We're really, really excited about that too.
- Kristin: [03:39](#) But we are here today and I think the way we talked about this in our rehearsal was perfectly appropriate. We are here to talk about how sales are happening and where they're happening. I mean if we're gonna just like break it down to brass tacks, it doesn't matter ... I guess it definitely matters of course, the categories you're in, your locations, your entire business model, but ultimately that's what we're here to dissect. As we're in the second quarter of 2019 and you have such a great purview on this with all of your categories and your many, many years of experience, let's go ahead and just dive right in here and maybe give us a sense of your takes on the major industry news that we've seen lately, and then we'll move into channel evolution, and consumer preference and all of that.
- Kristin: [04:23](#) So, why don't we start by maybe we can get your take on the performance bike's demise?
- Erik Saltvold: [04:30](#) Well I mean it's always unfortunate because it affects a lot of people, but that's something where they suffered from a lack of investments in the stores for a number of years. In our markets we didn't have a lot of direct competition with performance, they never really penetrated the Midwest markets as much as they were on the coasts and so forth. But, obviously we could be against them on the online side. But, that's something where I think it's great lesson for anybody that's in retail, is you've always gotta reinvest in the store and the experience, and there's just a lack of investment in their operations and they store operations for a number of years. And ultimately the consumer becomes a tired brand and it's difficult to generate sales on that end.
- Erik Saltvold: [05:16](#) Again, unfortunate because there's a lot of good people that were there. But when you look at it from the outside it was clear that they weren't able to reinvest in the business at a level they needed to continue to operate.

- Kristin: [05:29](#) That's a perfect way of putting it, because there's so much ... there's a mindset around testing and learning, and that has to come from the top, but there's a lot of investment from both people, time, and money that has to go into that in terms of constantly changing it up.
- Kristin: [05:43](#) Now, let me get your take on this one, sort of like a bit of a lightning round to kick us off here. What about REI's continued excitement, and investment, and bullish outlook on the bicycle space?
- Erik Saltvold: [05:56](#) Well I mean I think it makes sense for the obviously, I mean it fits again with their core customer is interested in the product. I actually think it's a good sign for our industry with the amount of research and the amount of research they have that they're interested in C-cycling as a sport that's worth investing in. I think it's a good barometer ... or a good sign for us that are more specialists in it. I think it's a great retail experience, and it forces the independent bike to dealer to step up their game and to offer services and technology, and buying options to consumers that are competitive to what they offer as they try to step their game up and try to offer a more premium product than, maybe, what they have in the past.
- Kristin: [06:54](#) It is very, very interesting, I agree. I can't wait to see what they do with some of their smaller format stores with their content. It'll be very fun, I think, to watch how they try and reinvigorate, rebrand, or reposition their cycling within their membership base. It should be a very entertaining thing to watch.
- Kristin: [07:14](#) What about any other major industry headlines that you'd like to comment before we dive into our channel analysis here?
- Erik Saltvold: [07:23](#) There's just lots of change going on at retail. We talked a little bit earlier, just change just seems to accelerate faster every year, and brands are always scrambling, trying new things, just trying to figure out what's the way. What's the way consumers want to buy? What's the services we need to offer? Testing, learning, and there's a lot of ... you just see a lot of fear on a lot of vendors of, "Am I doing the right thing? Am I moving fast enough?" So, I see that accelerate every year and I think it's exciting to be part of it, to see the change and to try to learn and figure out the best way you can to serve your customer. But at the same time I see a lot of people that are fearful what that future looks like too.

- Kristin: [08:18](#) Yes, I totally agree with you. And there are some brands that I think, that are making some very visible strides. One of them, I wanted to bring up before we dive into our main questions here, would be the launch of AXS that SRAM just brought to market. And how that was immediately available. I mean you obviously have a large footprint of stores. What was that like for you to watch? I'm sure you knew about it going into the launch, but I really was impressed with how coordinated and orchestrated that was, and how consumer centric it was.
- Erik Saltvold: [08:50](#) Yeah and I think they did a great job at the launch at product availability. We have product going out immediately, which is as basic as sometimes we talk about these things, "Hey I'm gonna launch a new product, and hey I'm actually gonna have it available for the consumer to buy when it launches and when marketing hits," pretty basic concept, but you'd be amazed how many companies in all the industries we participate in don't do a really good job of that. So, I think they did a good job with that, we had new bikes from specialized in stores are launch. So, it was a nicely coordinated campaign.
- Erik Saltvold: [09:25](#) The brands that are doing well are the brands that are getting that right. That are figuring out that, I need to coordinate and and I need to have the different venues or methods that I'm selling this product, be prepared with the information. And the most successful launches are ones where the brand was doing it, the retailer's doing something to coordinate with what the brand is doing, and the product's actually available to sell to the consumer. When all those things are aligned I think you have a successful launch. And again we're seeing more brands that are getting better at that, and devoting resources to that to make it happen in a way that it works for the consumer in the end.
- Kristin: [10:05](#) You're so right. It seems like a such a basic concept, but when you have as many stakeholders as they do, as a ... they're an ingredient brand on like the very base level. I mean it really is, from a global standpoint especially, it really is interesting to look at it, because it's not so much like when we used to work for Athleta, for example, it was like align the PR with the catalog, with the online. If you got all the arrows going the right way they'd sell out of the product. And now I feel like there's so many channels, and what I thought was great is they've basically looked at the consumer first and built ... almost like reverse engineered it from there, but made sure everybody was ready when they hit the launch button. I think you're absolutely

right, that was the day where everything changed and nothing changed. Everybody knew the bar had been raised, I think.

Erik Saltvold: [10:58](#) Yeah, and I think that's something that brands need to pay attention to. I know you've talked about this in other shows, but ... Nike's probably a bad example ... but Athleta's probably an interesting example, because they control their ... they control it right? They can control that experience. It's a very challenging thing for a brand that sells to brick and mortar retailers, online only retailers, combined online [inaudible 00:11:27] retailers, and how do you coordinate that activity amongst all these different independent companies. It's a big challenge.

Kristin: [11:36](#) It is, and that's what the consumers' expectations today. They are literally trained, everyday, by companies with a lot of money and a lot of headcount, to basically be engineering an experience, or forming expectations in us that our dear, beloved, specialty markets now have the flaming hoola hoop to jump through.

Erik Saltvold: [11:56](#) Exactly. Well and it's very challenging to your ... you're exactly right ... it's you're competing against companies that have a lot more resources than we have, a lot more coordination capability than we have, but that doesn't mean the consumer expects any less. They don't understand that, they don't care about that, they expect the same kind of experience, so you have to do the best you can and coordinate the best you can with the resource we have, and make sure that the experience that a person is having on a brand site isn't any different than an experience that happens on the retail side, because that makes the brand look bad, that makes the retailer look bad, and it's just not a sustainable way to operate.

Kristin: [12:40](#) And that's actually one of the things I wanted to start with was integration of channels, because we've talked about this when we were ... before we hit the record button ... bike arrives at the store the consumer has an expectation around that. It feels like things are maturing but they're still a little bit of like clunkiness or awkwardness. It's like a teenager.

Erik Saltvold: [13:02](#) Well what's interesting is it's a ... I mean, obviously everybody's doing what they think is the best way forward to service their customer in the end. Speaking from a brand perspective. And then in the middle of that is a retailer that has to connect to all these different ... okay, brand Y is doing it this way, brand X is doing it a different way, brand Z's doing it a third way, and

that's all gotta integrate into the systems that a retailer has. And at the end of the day, again like I said earlier, the customer's going to come in and they don't care about all that, they just want whatever they ordered. "I ordered a bike, I want it, and I got a email that says it's at your store," they want it right then. They don't understand that, okay, that has to flow through ... whether it's a single store, whether it's a multi store operation like we have, that information has to flow through, the product has to get assembled, all these things.

Erik Saltvold: [13:57](#) There's a lot of logistics that need to happen, and when you're a small industry like [inaudible 00:14:03] trying to link to all these different things that are happening. And for the most part right now, people are doing digital solutions, but there's a lot of manual things happening in the background to make that transaction actually work. That's kind of the holy grail as companies are starting to figure out, "Oh, how do we do this in a way that sets the expectation level for the customer, but also works for the retailer that's in the middle?" So those are big challenges right now.

Kristin: [14:34](#) Are any of your brands that you're working with across your category nailing this?

Erik Saltvold: [14:39](#) Well, Beeline's new model is interesting, that they have a fulfillment system they're trying to execute that's more across multiple brands. It's interesting but still in its infancy. But you have every other brand whether it's trek, whether it's specialized, whether it's whatever ... [inaudible 00:15:02], whoever it is. They all have their own system right now, and some of them are good on their own but, again, they just require that the retailer are kind of stuck in the middle. So I guess my cautionary tale for the brands is just when you're thinking about implementing strategies that involve, essentially, selling direct to a consumer, you have to think through the whole logistics of it. How does it work at the retailer? Because we both are interested in the same thing, we want the consumer to have ea great experience with the product, and a great experience buying however they want to buy. And it also has to be a profitable experience for the retailer at the end of the day. But, just think through all the logistical things that need to happen to make that, and be really clear with your process, and really clear with how that integrates into the retailer.

Kristin: [15:49](#) And do you think that is a calling for working with fewer brands on a deeper level?

- Erik Saltvold: [15:57](#) It can be, because every time that we integrate there's an investment of time and money on our part to integrate. So yeah, you can do this with every brand. No, you're going to make choices. I think you're going to make choices that make sense from a financial standpoint and partner with the ones that, one, you're getting enough volume that the investment makes sense and, two, the model works efficiently.
- Kristin: [16:27](#) Right. And really I think you're such a great resource for me to ask this next question to you, because obviously, we in the in the bike market have been talking about clicks to bricks or buy online pickup in store for a while now, and I think that there was a lot of talk about it and now all the sudden the clutch has dropped officially. And from what I've heard from another guest that I just interviewed Greg Carter from Acuity Brands, the guy I talked with about the connected buildings and IOT, that was definitely like a little mind blowing for my audience but cool. But he basically said that the bricks to clicks and that last mile is literally just starting to gain momentum in his mind and that it is literally going to be busting out like a freight train in the next year to 18 months. What does that mean for you as a specialty retailer and your lifetime customer value equation? How are you going to capitalize on that? Because really it ties in perfectly to what we were just talking about in terms of that consumer experience. Well thought through from beginning to end.
- Erik Saltvold: [17:31](#) Well it's interesting, one perspective I think that's different we think about a lot is, so the industry is kind of creating these click and collect solutions, because most retailers, especially in the specialty bike industry, don't have that capability on their own sites. So effectively what a lot of brands are doing is creating an experience like a Home Depot or Best Buy or a Dick's sporting goods has, or Target has for the retailer.
- Erik Saltvold: [18:06](#) Other retailers industry, and we would be part of this. We've been doing click and collect for a number of years, through our own site. So we have that integration all figured out. So sometimes the solutions are out of necessity because you're kind of creating a solution, an industry wide solution. But for all these different players that have different interests, I think it's interesting, we kind of think about does it happen on other ... we're used to doing it with a Target, we're used to doing it with a Best Buy, we're used to doing it with Home Depot, but we're doing it on their sites.

- Erik Saltvold: [18:48](#) We're not going on to the lumber [site 00:18:51] side and doing a Home Depot and saying, I'm going to pick this up at Home Depot. So it's just kind of an interesting differential we have out of necessity in our industry because we have a lot of independent retailers.
- Erik Saltvold: [19:03](#) But we're all there. I think it's absolutely the future is going to be stronger and stronger, pick up in store, click and collect. And we think it's just another way people want to buy. You just have to provide how people want to buy, anyway they want to buy. [crosstalk 00:19:27] And if you're not there, you're going to be a loser. You're going to be a dinosaur. It's as simple as that.
- Kristin: [19:36](#) And no one wants that, right?
- Erik Saltvold: [19:38](#) Right, right.
- Kristin: [19:41](#) And really, this is perfectly framing up the next question I wanted to ask you. I always loved that quote that Einstein had. You can't solve the problem from the level of the problem. And yet I feel like in our markets of specialty, people are still just really holding on to that revenue base of primary channel over other channels and just giving breadcrumbs to other channels, when in actuality they kind of need to step back in my opinion and really analyze exactly what you just said, the consumer decision journey, and invest across that. And it still feels like within the brands, if you look at how retail is being served right now, it feels like you can almost feel inside the brands that they're silo-ed between the different channels. And perhaps that's because of legacy budgets or just the way people have always done things in managerial positions. I'm not sure exactly what it is, but it seems to me that that seems to be a problem that we're having in terms of the fragmentation that the consumer is experiencing when they finally do get to your store.
- Erik Saltvold: [20:47](#) Yup. And from my perspective, I think you listen to a lot of people and experts and one time you say, oh, everything's going to be sold on Amazon. And obviously as a specialty retailer with brick and mortar stores I'm investing my livelihood on the fact that that's not gonna happen. Because I think there's always gonna be a place for specialty retailer brick and mortar. And I think if you're a specialty brand and you need to invest in your brand to make it special, right? To me, selling on Amazon is never going to make it special. They're never going to create value and make you a specialty brand. The retailer, the specialty retailer, the tribe, the consumer makes that brand cool and

Amazon steps in and harvest the coolness that the specialty retailer or the users made that brand to be. They don't create demand for any brands that are in our industry. So it's tempting for, I think, a brand to say, look, I need to sell on Amazon because that's where 50% of the searches are starting or whatever.

- Erik Saltvold: [22:04](#) And that may be a fine short term strategy. But in the long term, I haven't seen an example of a brand that's been able to sustain its coolness, it's hipness, in our channels by making that wholesale change. If they're doing that, and kind of abandoning the specialty channel or abandoning the way that specialty channel can make money because, often times, people are moving product to Amazon or another channel because of a price reason.
- Erik Saltvold: [22:29](#) And I think you need to be able to offer the product how people want to buy it, when they want to buy it. But it also has to be offered at the price has to be the same throughout every channel. And the price that's offered has to be at a price that allows each channel to make the profit that they need to make to sustain their business.
- Erik Saltvold: [22:48](#) And that's where the brands make a mistake, I believe, sometimes is thinking that we can make this play over here and there are different channels so they have a different cost structure and we can sell in a different way. And I think that's a big issue of price integrity throughout all the channels. And most importantly, margin integrity, because all these initiatives, all these things that we're doing require investment. Nothing's free. And we have to be able to sustain those margins in order to make these wonderful experiences for people in the stores.
- Kristin: [23:23](#) That is so, so true. Especially when we're talking about exceptional specialty.
- Erik Saltvold: [23:28](#) Yeah, and I think strong brands are figuring out where their channels are, they need to have ... I don't believe it's necessary for every brand to be sold on Amazon. It's not my belief. I believe there are lots of examples, Lulu is a great example. You can't buy Lulu on Amazon. But it's the killer brand in active clothing wear, because there's such a desire for that brand and they control that distribution in such a way that you know you're not going to go on Amazon and find it cheaper. And that brand is a runaway success by any measure.

- Erik Saltvold: [24:09](#) And there are brands, Specialized as a brand doesn't sell on Amazon, and they're killing it within our industry. So there's a lot of successful brands that don't have Amazon as a strategy, but they're investing, reinvesting in their brand, reinvesting in their product to make it so desirable that the consumer is going to find out and want that product. And I believe that's a winning strategy for them.
- Erik Saltvold: [24:38](#) But you can't neglect the fact that consumers still wants to buy with convenience, but you can offer that in channels within your channel. And I think to your point earlier, you said there's this competing thing between digital and traditional marketing, and I think that's absolutely true. I think brands still have internal competitions that are competing against their own dealer network, just the way they offer ... I remember once, in one of your podcasts, somebody said something like the worst thing ever is to get an email from a brand that has an offer that undercuts what the local retailer is doing with that same brand. I mean that's like death for a brand long term.
- Kristin: [25:26](#) It is.
- Erik Saltvold: [25:27](#) Because there's no integrity then. The consumer has no integrity and doesn't understand, well now you've just trained me to come to the brand site and that kills a specialty retailer. And ultimately I think that hurts the brand in long term. And as we're seeing brands that are online only now wanting to have brick and mortar presence because they know that's the way that they're going to create this demand. Not everything is going to be happening online. So that's my view.
- Kristin: [25:53](#) Especially in our markets. I mean that's why I love being able to focus on specialty on this, because obviously, we listen to a lot of the same podcasts and talk about some of the broader retail shows we listen to. Making those trends relevant to our people is important. And what I always want to underscore is like this is who we are, especially on the retail side, the independent retail side. And it was Rich Hill of Grassroots Outdoor Alliance who you just quoted from a previous show. But it's essentially enabling the consumer to actually join up with their specialty brand because our brands are literally part of how they see themselves, what they want to believe about themselves. And that also goes right into where they buy it and who they interface with during that experience, whether it's online looking at Instagram or whether it's in a store, getting Beta on the local trails or whatever it is.

Kristin: [26:44](#) So I just feel like with specialty, we have an incredible runway of opportunity right now because people are actually wanting to leave their computers and actually reengage with humanity. I really think that this is an opportunity like no other and you have a lot of channels in place that guide the consumer and nurture them on behalf of your brands. But then once they're in the store, they're able to actually touch and feel the product, et cetera. I just had Ryan [inaudible 00:27:18] on and he said he believes that this is the era where retailers need to start restocking more because of this BOPUS, buy online pickup in store, trend taking so much weight right now.

Erik Saltvold: [27:32](#) Well it's a way to leverage. Selling online, you see it happening with a brand like Target, for example, is they're really leveraging their in store stock or their local customer, because obviously the cost to serve a customer, to send them the pump, or send them the tire was really expensive logistically. And leveraging their in store stock and that's what the industry is doing with all the tools that are available, whether it's locally or some of the brand sites showing the local stock. Google now has their local inventory feeds. So there's just a lot of things that are happening. When you see Google's starting to offer the local inventory feeds, you know that that's going to become now a really used featured by consumers. And if a company like Google sees that as this is something where we need to play, well that's amazing.

Kristin: [28:36](#) It is.

Erik Saltvold: [28:36](#) That's great for brick and mortar, right?

Kristin: [28:38](#) And think about the data that's going to come from that, that hopefully will come all the way into your store, you know?

Erik Saltvold: [28:44](#) For sure. For sure. That's really exciting because they are recognizing that still the majority of sales are happening offline.

Kristin: [28:51](#) Yup.

Erik Saltvold: [28:52](#) It's still the biggest channel, even though all we talk about is online sales and we're not sitting here with our head in the sand, but there's still a tremendous opportunity in online and offline sales. But coordinating that with your online sales experience so that you have a real integrated marketplace for your consumer.

- Kristin: [29:13](#) So this kind of brings me to a question that, we're both very familiar with Accel 00:29:18] North America, obviously, and I think that's how we met was through my engagement with them. And you're obviously a longtime retailer. And you watched what the team there did over the past year in terms of introducing the new business model that mitigated risk and didn't force the retailer to floor the product so much. So I thought that was super conscientious of them and also a lightning rod move. And good on them, right? They were just like, this is what we think needs to happen. Now we have some time between when that happened and now, and you're one of their partners, how has that evolved? Like has that been a useful strategy for you? What are your thoughts on that?
- Erik Saltvold: [29:59](#) Well, I think their challenge has been they've had a few different strategies over the years. So I think that the challenge that they have is they're trying to figure out what's the right strategy in this digital age to still satisfy the demand that they have for their brand. And that was the strategy that kind of involved [00:30:25], "We want to be the easier brand, we want to be more digitally savvy in terms of how we're selling the product." And yeah, I think that the challenge is in terms of implementing it, just in terms of how they can integrate with stores. I think it was a good decision, I think it was a brave decision of them to do it. I think they're probably struggling with their, they don't have the brand cachet that a Trek or a Specialized has. And you alluded to it earlier is, to make a switch like that is a huge risk because you've got the majority of your sales in one channel and now you're going to do some business a different way that might jeopardize the channel that's generating the majority of your sales. So definitely fraught with risk. I think the jury is still out entirely on how that's gonna turn out.
- Kristin: [31:23](#) And one of the, I think, I swear I'm not just saying this because he's part of this interview series, but Beeline I think is one of the centerpieces of that whole thing in terms of-
- Erik Saltvold: [31:33](#) Yeah.
- Kristin: [31:33](#) In terms of the friction free and the data. And tell me what your thoughts are on that. Cause you mentioned that platform earlier and Pete's going to be on the series as well.
- Erik Saltvold: [31:42](#) I think it's interesting how that's evolved. Again, that's kind of alluded to earlier, the kind of multiple kinds of strategies, even

with Beeline and now they're onto V2 or V3 of their strategy. I actually think what their strategy is now is a very interesting one. I think it has potential. And I think it's to be kind of that industry portal for a number of different brands, providing the technology and the link and a great experience for the consumer I think is a really cool strategy. I think it's a very challenging strategy for them to take [inaudible 00:00:20], so we signed up for it. We're excited about seeing how it goes for the season. I think that has a lot of potential. I think it still has technology risks that they need to solve. They're experts at the software in development. So we've done a good job with that over the years and we're excited about potential it has.

Kristin: [32:49](#) I think that we, again, through all this stuff we listened to, we also have heard so much about how the evolution of grocery is really changing consumer expectation. And I feel like everything that's going on, that Beeline has set a foundation for, it's going to help with that. And I realize grocery is a commodity, but what the audience, and you and I are part of the audience, need to understand is as we grow to expect things from our day to day commodity purchases and experiences that has, it just isn't contained to commodity. That expectation and really the disappointment rather when a specialty brand or retail or can't fulfill. That's the part where I feel we're exposed.

Erik Saltvold: [33:37](#) Yeah. And the key element in some of these strategies I alluded to earlier, you have to start with demand for your product. So the product has to be hot where people ... Who cares if you have a great delivery system if nobody wants your product. So it all starts with you have to make a cool product, and you have to make high consumer demand products, and then you have to have the tools and the strategies and the policies in place that allow that, all these seamless things to happen. But at the end of the day, we're specialty markets, it's always about, always has been and still is even a digital age, it's always about the product. If it wasn't about the product, none of these brands, none of us would exist.

Erik Saltvold: [34:26](#) We have a cool product and we're all enthusiasts. We all want to use the latest and greatest and the coolest stuff. So I think that's where a specialized in track and [inaudible 00:34:41] another industry have really cool product and now they're trying to drive how does that delivery, how does that sales channel work that people can still get it. But if you've got the consumers wanting that product, they're going to figure out

how to get it. And, we still need to make it easy for 'em, but we have to have the demand to start with.

Kristin: [35:06](#) Exactly. No, I think that's so important. Product is certainly still king.

Erik Saltvold: [35:13](#) I hope I'm never in this industry when product isn't king because that's what makes it a cool industry.

Kristin: [35:18](#) Again, I totally agree with you. Yeah. And I feel like the way that the content is being created and whatnot is a really important part of that. Are you seeing that brands and retailers are starting to work in a different way or an elevated way in that regard? 'cause again, going back to what I said earlier about does it make sense to partner with fewer brands and go deeper, or are the brands that you're partnering with and there are quite a number of them, becoming more savvy to enable you to repurpose their content in a way that accentuates your brand?

Erik Saltvold: [35:51](#) Absolutely. And we talked about the SRAM launch. That's a great example of how they can do that. They're getting better, they're still struggling with it, but again ... For us there is still silo-ed in a lot of the brands of a marketing department that doesn't understand what's happening in the retail. The sales department is in coordinating with the digital marketing team. There's still a lot of that going on in a number of different brands we work with. To me, that's the low hanging fruit we have is if I was in a brand situation, I would be reorganizing. I'd have my marketing focused on controlling the overall ... Just everything related to marketing would be under one department. It's still siloed in some of the companies. And that's the old way of, okay, I've got somebody that's in charge of my internet sales and another person that's in charge of my dealer sales, and they don't talk to each other or they compete against each other. And that just doesn't work long term.

Kristin: [37:04](#) No, it absolutely doesn't.

Erik Saltvold: [37:06](#) And so I think that's the biggest thing that brands can do is that's the legacy thing that they need to fix.

Kristin: [37:13](#) Right. I totally agree. How about events? What are you guys incorporating in terms of boots on the ground, retail brand and consumers in person? How's that evolving for you?

Erik Saltvold: [37:24](#) Well, it's kind of old school. We've been doing this since we started the business. We were out at events, [inaudible 00:37:36]. We're always out there with demo products, get those experiences for customers going to where consumers are, not waiting for them to come into the store. So we do that at a lot of events that are focused on the sports [inaudible 00:37:53] and sometimes even at events that aren't necessarily related. But the consumer that's there has got the psychographic that we want, that we think will fit well with the products that we're offering. And e-bikes is a great example. That's something that's kind of appealing to a bigger audience right now. So we find we can probably expand upon where we go with those bikes more than we do with a traditional bike.

Kristin: [38:19](#) I thought you had some great resources on your website that I'll link to in the show notes that obviously you're growing your audience all the time probably through procuring email list growth at events and whatnot. Are you still seeing that email as a primary conversion channel?

Erik Saltvold: [38:39](#) Yeah, sure. That's a very important part of our marketing scheme and customizing emails to people's interests. Then there's a lot of tools, a lot of [inaudible 00:38:48] out there to do that. I think that's again pretty low hanging fruit from a marketing standpoint.

Kristin: [40:26](#) Eric, as we look to wrap things up here, I definitely wanted to touch base with you as somebody who has a business that appeals to the omnichannel passion consumer of bike and snow and the different specialty markets that you're in. What is the role of data in your company today, and how are you aggregating it and making decisions from it to serve your audience better?

Erik Saltvold: [40:50](#) Well, that's what changed so much is that you have access to so much more data and there's lots of it services out there you can use to aggregate the data and also to learn from the data and learn about your customers' preferences, what they're looking at ... There's so many tools out there, you can actually now measure your marketing where in the past it was throw your marketing out there and hope that it worked and now there's so many good channels, there's so many methods that we use for marketing, we actually can tie attribute actions to, and I think that's very valuable in terms of making your marketing more efficient.

- Erik Saltvold: [41:33](#) And also just the data that's available to analyze what people are looking at on your website. And Google analytics is amazing. Things you can do with your email marketing, things you can do, the plugins you can put on your website to not only custom curate what the consumer is seeing, I think is, you have to do that. You have to be showing customers content and things that are interesting to them or you lose them. You can't be a generalist anymore. We're a specialty retailer. We still have to be specialized within those consumers and show them what they're interested in, not just show them the whole ball of wax.
- Kristin: [42:30](#) Exactly. Especially when you have different categories and whatnot. But what I love most about what you've built in your businesses is how you are marrying the art to the science. You still bring that enthusiast passion-driven specialty experience to your consumers no matter what channel they're on and how they find you. So I think that that's one of the reasons why you're so successful today, and plus you keep taking chances.
- Kristin: [42:58](#) We've been in these industries a long time. I always love to say that people sit around the water cooler in these brands and they say, "Okay, what's going to happen here?" Or, or perhaps it's a retailer that's doing the same thing. They're watching and learning from the big guns, the REIs, et cetera. You have this interesting position you've carved out where you're still, you feel independent and you feel small and nimble, but you have 30 stores in six states with 450 employees and growing and a great stable of brands, and you still portray that image. So I just have to say you are doing a fantastic job, and I feel like there must be like five of you running around, but there's only one of you.
- Erik Saltvold: [43:37](#) There's, there's way more than one [crosstalk 00:43:42]-
- Kristin: [43:40](#) Oh I know. But I mean there's only one Erik.
- Erik Saltvold: [43:46](#) We're fortunate that we have a lot of people have been here a long time that share the passion we have, grown up in the business and are equally as passionate about the product and the service as I am. And that's what makes it fun to work here and that makes for a hell of a business.
- Kristin: [44:06](#) Well and I have to say after listening to our conversation, obviously through this interview process, we're definitely trying to discern five key levers that we're going to come out with in a in a post show episode and probably workbook of some kind

that everybody can get at channelmastery.com verdepr.com and bicycleretailer.com.

- Kristin: [44:28](#) I feel like we've really hit on ... It's not fitting to say personalizing the service or personalization because that sounds so big data in algorithm, but do you see what I mean? A lot of the stuff we've talked about has been about tailoring in that regard. What are your thoughts around the lever that you think is the most important or maybe the top two right now?
- Erik Saltvold: [44:53](#) Well, in terms of ... Personalization obviously is huge. If I was to say, what do you do on this [inaudible 00:45:03]. It's at best an experiment. Because they're literally, every day we all have the same ... You get 50 emails about different things that ... I've got the greatest marketing thing in the world that you should put on there. You're missing out if you don't do this.
- Erik Saltvold: [45:19](#) You've got to keep yourself in tune with what's happening in the marketplace, what are consumer, and try some things and experiment. That can apply to digital products, it can apply to the physical products that you offer in the stores. But to me it's always been about [inaudible 00:45:37] a specialty retailer we need to experiment. We need to invest. We need to always try things and we need to fail because if we're not failing, that means we haven't tried [inaudible 00:45:49] taking the risks. So I relish failures because it means you took a risk. Obviously you make those risks in a way that aren't critical, definitely to the company, but in a way that are reasonable, and you learn from those and move on and become better.
- Kristin: [46:13](#) That's the one thing that is not going to change. That's so great that you said that because everybody's always like, "Oh God, what do I have to do now?" Thankfully a lot of people are excited about it. The way I said that didn't come across good. That's the perfect way I think to wrap this up. Is there anything that I have missed touching on that you think would add to this conversation?
- Erik Saltvold: [46:34](#) No, I think it was great. I enjoyed it.
- Kristin: [46:35](#) Awesome. Cool. Well you've been such a great supporter and friend of the podcast, Erik. I really appreciate your contributions and this was another great example of that. I look forward to bringing you back onto the show. And I've got some interesting things coming up in the Overland and RV space that I would love to have you participate in because TAXA Outdoors is in that

space. But they're a really interesting brand that bridges a lot of different markets, but it's based around the consumer you serve. So I think it's awesome that you're taking a risk with that one too. But let's just keep an eye out in the future because you just don't know where Erik's going to pop up in the channel mastery world over here.

- Erik Saltvold: [47:14](#) That's right. And I always enjoy your show. It's a great resource for our industry. Thank you.
- Kristin: [47:21](#) Oh, of course. Thank you. It means the world to hear that from you. So thank you so much. And yeah, we'll be hearing back from you hopefully a little bit a couple months from now.
- Erik Saltvold: [47:30](#) Okay, sounds good.
- Kristin: [47:30](#) So we'll talk to you soon. Thanks.