



Channel Mastery Podcast, Episode #88: Kristin Carpenter Interviews  
Blair Clark, President of Canyon Bicycles USA

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- Kristin: [00:56](#) Welcome back, everybody, to another episode of the Channel Mastery podcast. I am so excited to introduce my guest to you today, Blair Clark, who is the president of Canyon USA. Welcome to the show, Blair.
- Blair Clark: [01:09](#) Thanks, Kristin.
- Kristin: [01:10](#) It is absolutely great to have you here. I've been wanting to interview you for two years since you started your position there. And, obviously, we've known each other a while and gone through a brand or two together, and I just, first of all, want to say thank you so much for taking the time to be on this show with me today. There's going to be a lot that you can offer to the specialty business leaders that listen to Channel Mastery.
- Blair Clark: [01:35](#) Well, thank you. I'm honored.
- Kristin: [01:37](#) Yeah. And you're obviously in the middle of a very busy season. Obviously, you guys just finished up the Belgian Waffle Ride and Sea Otter. And we're right in the middle of May right now, just for everybody who's tuning in, you may not be listening to this right when the show drops, 2019. And I'm very excited to interview you as part of the special series I'm running with Bicycle Retailer called Shifting Channels in the Bike Market.
- Kristin: [02:01](#) So, Blair, I'm just gonna like cannon ball right in here to the first question because I want to really protect your time and the

time of my audience. Give us a little bit of background. Most of the readers know who you are, but give us a quick background on your career leading into your role at Canyon and establishing Canyon USA.

Blair Clark: [02:21](#) Well, I mean, briefly, when I was 15 I fell in love with a bicycle as a means of exploration and competition. And it's taken me on a great career ride where I've met a lot of great people, worked for great companies. Scott, Giro [00:02:40] Specialized, Gu, and now here at Canyon. And it's taken me to the White House, thanks to the graciousness of [inaudible] [00:02:53] for a couple of rides with George Bush. And, you know, I've had the pleasure of riding up to [Wes 00:02:58] with Greg [Lemond 00:02:59], and David. Lance Armstrong was in the yellow jersey and I was running Giro [00:00:03:05], so I have to pinch myself from time to time. I've had a great ride.

Kristin: [03:09](#) Well, and that's one of the reasons I'm so excited to have you on the show and share you with my audience today because you have a lengthy and admirable career in our passion industries of outdoor bike and snow, among other specialty markets. And I'm also ... you know, you have a wholesale background and you're leading a direct brand. I'm not the only person who has been watching the trajectory of Canyon USA, and just watching your evolution, frankly, as a leader. And I know that you're all about teams. What was it like for you to put together the team for Canyon USA, kind of coming from the background that you were in versus what you knew you had to tackle at Canyon USA?

Blair Clark: [03:49](#) Well, you know, I've always admired the saying that the measure of a great manager or leader is not in their effectiveness when they get to hand pick the team, but when they get great results with the team that they're handed. And, in this case, a few people were actually hired before me, but they were great people. And, you know, I think that people were inspired by the movement, and still are, that we're changing or disrupting the bike industry by virtue of our distribution, taking out the middle man, which we don't completely take the [IBD 00:04:33] out of the picture because we're codependent on the [IBD 00:04:36] for service, for a high touch fits, and, you know, we don't sell a lot of accessories. So hopefully what we do is produce a consumer who is internet savvy who then relies on the [IBD 00:04:53] for an annuity of a variety of services and products.

Blair Clark: [04:58](#) So, you know, in selecting the team I looked for people who were a perfect blend between missionary and mercenary. I didn't want one extreme or the other, but I wanted them to be passionate cyclists because I believe that our job is to inspire

riders to ride. That's our mission. And that we have to make an emotional connection with the user regardless of what their particular intended use is, whether it's a triathlete or a gravity rider or roadie or what have you. So we have to understand their particular nuances of their interest in the sport and be able to talk to them and make them feel like part of our family because ... You know, I learned very early on from some great retailers like Jimmy [Hoy 00:05:48] did Richardson Bike Mart, that he treated everybody who walked in the door like family and treated them like they were a guest in his home. So I've tried to impart that on the tribe here, and it's been relatively easy. I have a great tribe that makes me look good.

Kristin: [06:09](#) That's awesome. You know, you just brought up a point that really brings me to my next question so perfectly. I'm curious to get your view on the cycling community versus the bike industry. There's a lot of evolution going on and a lot of opportunity, and I think that it's pretty obvious that as you look at a category like road cycling and how well Canyon is doing in it, that you're obviously doing something right in terms of getting your message out, being discovered by more cyclists, and creating more sales. So I'm curious if you can give us your comments on the difference between the cycling community today versus the bike industry and the opportunity that that presents a direct first brand.

Blair Clark: [06:55](#) Well, I mean, first, when ... I know you, Kristin, have been to the Bicycle Leadership Conference in the past, and every year we get great data from the NPD [00:07:03] Group, you know, all the categorical sizes and units and dollars associated with the movement of bikes and accessories. But I look around and say, "Where are the Peloton people?" By the way, the size of Peloton's valuation is about two thirds the size of the entire bike industry, as we separate it out. And then, "Where are the people from the bike vacation industry, the touring industry? Where's Backroads Bicycle Touring, a well over a hundred million dollar company?" Okay? "Where's the rest of the people who train cyclists and the bike fitters and all the other services associated with cycling?"

Blair Clark: [07:46](#) So, you know, cycling has done a disservice to itself in some ways by having separate little niches representing all of the little tribes. And what I mean by that is in the gun industry, as Leslie Bohm, who was a dear friend and passed away years ago who made a great career leading catalysts, communications, and was on the board of People for Bikes ... and he would always say, "Guys, we have to benchmark the NRA because there isn't an NRA associated with just shotguns and then a pistol NRA. There's one NRA. And in the surf industry there isn't the Surf Rider Foundation for Guys on Long Boards, the old guys, there's

not the short board surf, right? There isn't a standup paddle board, you know? It's one Surfrider Foundation."

- Blair Clark: [08:40](#) The problem in many ways is that we have, between People for Bikes and the BPSA and the League of American Women and [IMBA 00:08:50] and [NIKA 00:08:51] and Us Triathlon and USA Cycling, none of these are bad groups of people, they're all well intended, but we don't speak with a unified voice when we go to the government and say, "Hey, we want change to happen to make cycling safer, to provide better road infrastructure, because people are intimidated by distracted drivers." And if we want to have more women and minorities on bikes to change the demographic of the bike industry from just old white males, then we've got to speak with a different voice, and we've got to be unified about it. So in spite of the fact it might be offensive to some of the subsets of the groups of the cycling infrastructure, I think a unified voice would make a big difference.
- Kristin: [09:39](#) Well, and I just have to add, we just had Nick Sargent on the show, and I'll put all the links into the show notes, audience, as I always do, from the Snowsports Industries Association, and one of his main initiatives, and he only had two, so talk about focus ... He was very focused. But one of the main ones was to combine all of the nonprofits in his space working on climate change and, you know, different facets of the seasonality of snow sports. So there's a person with a like mind there, as well as the Outdoor Rec Round Table, and that, essentially, has been incredibly powerful in terms of putting a valuation on outdoor recreation, which we all fit in, that, you know, \$757 billion evaluation, I believe. And now underneath that, the Outdoor Rec Roundtable has pulled together industry associations that were once fragmented who are willing to raise their hand and be part of that valuation because of what it means in Washington. And it's made a huge impact. So I totally hear what you're saying, and in these specialty markets, we love our tribes, but here's a case where tribalism isn't necessarily serving us in terms of widening the portal and inviting more people in.
- Blair Clark: [10:59](#) Yeah. Yeah.
- Kristin: [11:00](#) So let's get back to you. Another question here. When you first came in here-
- Blair Clark: [11:04](#) Yeah, just-
- Kristin: [11:05](#) Oh, sorry, go ahead.
- Blair Clark: [11:06](#) In fact, if I can interject ...

Kristin: [11:07](#) Yeah.

Blair Clark: [11:07](#) To keep it in perspective, the annual NRA revenue is \$348 million and they have 4.5 million members.

Kristin: [11:16](#) Wow.

Blair Clark: [11:17](#) You know what People for Bikes budget is? It's about 10 million, and that's the foundation and the coalition combined.

Kristin: [11:23](#) Wow.

Blair Clark: [11:24](#) So I think there's more people riding bicycles than there are, you know, gun carrying people in the United States. I could be wrong. Anyway, go ahead.

Kristin: [11:36](#) That's an excellent point. So when you first came into your role two years ago, you were obviously drinking from the fire hose at Canyon USA, setting up operations in Carlsbad, California, and really trying to create like a relevant, I guess, local dialectic, if you will, to the US market from a very proven, trusted brand based in Germany. Now, that you've been in the chair for two years, what do you wish you would've done then that you know now? Or what are some of the like really foundational learnings that you've learned that you look back on your trajectory to date and you see are really driving the business today?

Blair Clark: [12:14](#) Well, we are a bike company that's learning how to be a digital marketing company, and I think we need to be a digital marketing company that happens to sell bikes later. And you cannot underestimate the infrastructure associated with all the software integration and the IT expertise. I've got a young man who runs our IT group that formally ran IT for a staff of 15 people, sorry, a staff of 75 people in 15 countries. He's a brilliantly talented IT leader, but he admits that it's very complex when we have nine different software programs going through three different hubs, or switches, that all, at any given time, could roll a new software update which could change the integration between one hand off and another. So it's very complex, and there's some simplicity we could apply to it, but in terms of putting it in place, now we'd have something that we can really scale with. So that's the first thing I learned is that there's a vastness associated with it. The barrier to entry seems low, but it's not so low.

Kristin: [13:33](#) Right.

Blair Clark: [13:39](#) I would say another lesson along the lines is that we have a very long lead time associated with the business model. I'm

fortunate that the consumer has tolerated us, because we haven't been a great supplier, and part of that is as a result of the fact that we don't get a pre-order and take a deposit for a bike. We place the orders, in some cases, as much as 12 months out, and then if you're interested in a bike, you can sign up for an email notification that when it comes in we will email you if we don't have it in stock. So our business model is at once, meaning it would be like going into a physical store, and if they have it in stock, you can buy it. And if we don't have it in stock, all we can do is email you. We can't take a deposit and tell you it's going to be here on a specific day. So that's made me have a massive supply chain issue, but we're fixing that with a new website that launches next month where we'll be able to take deposits and be very predictive about our deliveries.

- Kristin: [14:48](#) That's fantastic. And I am a Canyon Consumer, as you and I have talked ... I think I have three bikes. I had four, but one was ripped off, which was absolutely devastating to me. But just so you know I am a raving brand fan over here. I have gone through the process of your original website and frankly the novelty of it was interesting, and I've gone back multiple times and I thought that your fit tool was great, but I'm certainly excited to see what the brand experience is going to be tied to your new website. It's super interesting to hear how that's going to help support your forward looking ability to serve the consumer.
- Kristin: [15:29](#) How long has that website been in development, just out of curiosity? Is that something that started when you opened the doors for business? Or is it something that's been more recent?
- Blair Clark: [15:38](#) Maybe nine to twelve months. It's all going onto a sales force commerce cloud platform and it's an expensive... again, the [inaudible 00:15:53] entry there is high in terms of the cost of the sales force integration is very, very, expensive. But it's a state of the art tool.
- Kristin: [16:01](#) Right, and you have a very special position that you're trying to protect. You and I love to talk about our bike analogies and I'm going to throw one out there. You're kind of on this long solo break away, and I think that you've got some competitors chasing you now and this website is probably going to be a tool that's going to help insulate your lead, I would imagine. But it seems like nurturing, yes, you get discovery is super important, but nurturing your consumers while they're waiting for the product to come in is probably another huge learning that you've uncovered and discovered as you've been leading this brand.

Kristin: [16:40](#) Do you want to talk at all about things that you've learned around the nurturing of your consumers?

Blair Clark: [16:46](#) Sure, I have one good example. First, I'd say that your spot on, we are on a solo break away, but we're not naive. It's a question of when, not whether, Trek, Specialized, Giant etc. all go direct to consumer and how they do it. I think our primary objective in the short and long run is to stay as close to the consumer as possible. Luckily, of all the rest of the brands, we're the one that sells direct to the consumer so we have that consumer relationship.

Blair Clark: [17:25](#) Our goal is to make them, again, feel like family because if we do that, then I think when the competition arrives, hopefully they'll remain loyal. I like to say, Kristin, that on the stage in front of our customers, most of the time we do a good job. Behind the curtain we're spinning plates and there's a lot of chaos because I'm running a start up here.

Blair Clark: [17:51](#) I had a tearjerker email that percolated up to my desk not that long ago where a gentleman said, "Listen, I've been in your email notification system signed up for a bike. I wanted this special Movistar team version with Campagnolo record, 12 speed disk, and I needed a small, and I got a notification that they arrived but the day I looked at my notification I went and checked the website and they were already all sold out." Unfortunately we didn't get that many, and we had a lot of notifications that went out.

Blair Clark: [18:26](#) I felt badly for this gentleman because he said, "I love the Canyon design, I love talking to your people, they were really helpful, and I'm just really disappointed and I want you to understand that because I waited several months, and you should just know this."

Blair Clark: [18:41](#) So, I walked out to the team and talked to Philippe, who runs the inside sales group and the show runs and said, "Let's do something special for this guy." Philippe said, "Let's get on the phone with Germany, see if we can't get a frame." We walked across the parking lot, we were literally down the street from Campagnolo, you can throw a rock and hit Campagnolo. We bought the parts from Campagnolo, we got the frame, we built it up and we called him and said, "We're going to fly you from Austin, Texas out here to meet your sales guy and go for a ride. We've got a bike for you."

Kristin: [19:12](#) Oh my gosh.

Blair Clark: [19:13](#) I can't do this all the time, but I just wanted to show my team that it matters how we respond to these things that percolate up to me and that that's part of the culture, that we go out of our way.

Kristin: [19:28](#) I just have to commend you on that, Blair. What you just gave us is an exceptional example of the art and science of being an effective direct company. You have the tech tools, but you also have the people component of it.

Kristin: [19:42](#) We see subscription services, obviously this is Channel Mastery so I nerd out on all this stuff, but with successful subscription services, Stitch Fix is one example, you have a stylist, who I never email or call, but I have a stylist when I use the service. They also have a lot of data on me in terms of what I've ordered in the past and what I click through and all that stuff. But everything that I read about it and the experience I've personally had with that type of a company, it really does reflect with a specialty business like this.

Kristin: [20:15](#) Yes, it's great to have the tech and the data and being able to service digitally because your consumer is being trained everyday by giant companies like Amazon, Target, etc, Best Buy, to have a seamless experience and not have friction. But at the same time, with a specialty purchase like this, you want to have the interaction with people. It's almost like I want to get permission from your team when I call and say, "Do I want this build or this build? This is what I'm using it for." And they literally will sit on the phone and talk me through it. I'm not kidding you they geek out with me, and it's actually I think a great combination and what you just highlighted is I think that is the art and the science married, so I think it's a really cool example that you shared.

Blair Clark: [20:56](#) Thank you.

Kristen: [20:58](#) Yeah, okay. So, moving on through the questions here. On that same note, actually, you obviously invest in a lot of events. I believe it's one of your business units if I'm speaking about your operation setup the correct way.

Blair Clark: [21:12](#) Yes.

Kristin: [21:12](#) But you have a lot of consumer events, can you talk about how those are building Canyon brand experiences for your fans in the United States in 2019? Let's not look at the antiquated model that you and I grew up with, but what are you seeing evolve with how you're optimizing and how you're activating through these events for your brand?



- Blair Clark: [21:35](#) It comes back to what are first the objections to buying a bike online, and you touched on, "Hey, I don't know what size. How do I know what size?" We can help you with that on our system online, or we understand what size you have in terms of your current bike and then we can walk you through the geometry of our bikes and how those compare and so forth.
- Blair Clark: [21:57](#) The next question is, "Okay, now where can I test drive one?" We say, well, there's two options. There's more than two. The first option is if you happen to live near our show room here in Carlsbad, you can come here. If you don't, we can sell you the bicycle and you get it for 30 days and if for any reason you don't like it, just call us up and we'll give you a full refund on the bike and the freight, both directions. So, there's no harm no foul in that, so it's a great peace of mind.
- Blair Clark: [22:28](#) Beyond that, we have bikes in all the Rapha stores around the country, and we go to a lot of events. We'll do 32 events this year, but our events can't even compete even remotely with thousands of bike dealers that Trek, or Specialized, or Giant would have and then all the events that they're doing as well.
- Blair Clark: [22:52](#) We're picking the key events in key markets with particular emphasis on mountain and gravel. As you mentioned we just had the Canyon Belgian Waffle ride with 17,000 riders here last weekend. It's an epic [inaudible 00:23:06] gravel race, 140 miles and the short course is 70 miles, and I did that and it's painful. There's still 58,000 feet of climbing, and you're riding a gravel bike on a single track for a good portion of it.
- Kristin: [23:23](#) Wow.
- Blair Clark: [23:25](#) That's how we get out there and stay in touch with people and understand a lot of the issues that they might have with the adoption of our bikes or frustrations or pure jubilation associated with getting a bike.
- Blair Clark: [23:44](#) Events are a very important part of our marketing and Sea Otter is at the top of that list I would say, but so are the gravel races that we're investing heavily in. There's SBT GRVL and Canyon Belgian Waffle ride and others around the country.
- Kristin: [24:01](#) Well, I'm excited to see, obviously with SBT GRVL, that's one of [Verde's 00:24:06] clients and boy, that launch was great to work with your team on. It was super fun.
- Blair Clark: [24:16](#) We're super excited, yeah.

- Kristin: [24:16](#) Yeah, and we obviously just got confirmation that the Global Cycling Network is going to be doing a show on that as well, which couldn't be a better first year. I mean, high five to you guys for signing on to be the title sponsor. Seriously, you're a big reason why I think we got the visibility and the credibility to move forward with that. It just has been a crazy success so I'm really excited to see how that works out.
- Kristin: [24:39](#) Let's talk a little bit about how do you see the lifetime value equation brand consumer at Canyon versus some of the other wholesale roles that you've held?
- Blair Clark: [24:54](#) Because we don't have an intermediary between us and the consumer, the consumer relationship is critical and we want engagement so that when they consider a second or a third bike or a bike for somebody in the family or suggest a bike to a friend, that they're coming to us. I'm actually really surprised at how many consumers of ours have bought two bikes. It's a significant number.
- Kristin: [25:26](#) Yep, and it's a beautiful product. Product is definitely king, but as we've talked about service is super important, and I think the backdrop of what you do on the pro-sponsorship level, I think that definitely plays a role in the online consumer decision journey, but it's not where you're pigeon holding yourself. There's something about your brand that has an elastic feel to it in terms of I feel like you have permission to be an e-bike in an urban but also have very high end mountain bike, gravel, and road.
- Kristin: [25:58](#) It's a very interesting brand from that standpoint, frankly. So, on that note, obviously Germany has built the brand for decades. Are there pages from the playbook of the German business model that you're considering using or that you've seen be super successful in the US market?
- Blair Clark: [26:16](#) Well, yeah, I just eluded to one in terms of the 30 days to try the bike, the whole sports marketing efforts that Germany leads the way on with pro-tour teams. Also, Kristin, it's not unlike my experiences at Smith in terms of there's a performance based customer and there's a lifestyle based customer and they're very different.
- Blair Clark: [26:42](#) Mountain biking is about, I'll say it's almost campfire like. It's about getting out and doing it with friends. Road biking is about competition. Triathlon being the extreme of that, very focused on performance or tradition road racing. Gravel sort of has attributes of the cultures of both.

Blair Clark: [27:09](#) The millennial consumer today, as you're well aware, is not as interested in being judged about how they finish in an event in terms of time or place. They just want to participate and have fun. It's about some epic experience and that's where, in gravel, the millennial consumer meets the old gray haired roadie like me who's tired of doing the same Saturday morning world championship training ride on the same loop and hang out at the same coffee shop and thinks, "Hey I'd like to try something different," and tries a gravel back and falls in love with the idea that they can connect familiar roads with [inaudible 00:27:51] roads.

Blair Clark: [27:53](#) We're betting heavily on that part of the market and as you'll see from NPD's data, that's a big growth of the whole road market itself. If it weren't for gravel our road market would be in a terrible position.

Kristin: [28:07](#) Right. I also have to say that you guys, I think, have built a really strong sense of loyalty among your consumer fan base here in the United States already, especially as you've honestly articulated the challenges that you've had on the supply side and the consumer has more choice than they've ever had before and as you've eluded to some of the main competitors in the space will probably give them even more choice going forward.

Kristin: [28:34](#) How do you plan on differentiating what you're offering in gravel versus what the consumer might encounter in an online decision journey in the future? It's almost like, I guess the question is how are you protecting and nurturing that loyalty?

Blair Clark: [28:48](#) Well, first and foremost, Canyon is well known for its industrial design, and the Grail is sort of the epitome of that, that's our gravel bike as you know.

Kristin: [28:59](#) Yeah.

Blair Clark: [28:59](#) It's handle bar that has a leaf spring and it's seat post, it also has a leaf spring that takes a little bit of the rough edges off of a dirt road, or a washboard section of any road as it amps road vibration.

Blair Clark: [29:19](#) First of all, I think our consumer is a core rider. We're not reaching the casual rider or the prospect rider yet. We're taking people who are already cyclists and converting them to our brand because of German engineering, because of our great sports marketing, and we have a world champion on the road with Alejandro Alberto on the Movistar team. We have the

world champion in cyclo-cross with Mathieu van der Poel, who's is just crushing it.

Kristin: [29:47](#)

Oh my gosh, is he ever.

Blair Clark: [29:49](#)

And we have the world champion in Kona for the last four years between Patrick and [inaudible 00:29:58] winning Kona world championships. The only thing we're missing is mountain bike in terms of world championships in the bikes industry in terms of classic sports marketing. But I would say people are choosing us because of the compelling industrial design, the German engineering, the sports marketing validating it, the test reviews in all kinds of bike magazines, benchmarking our product versus other products and if we don't win just on spec and on how the frame is cycle tested to ultimate fatigue, or hundreds of thousands of flexes in any x, y or z direction, then we went on price because we took out the middle man and we're 20 to 30% lower in price. It's a very compelling argument, and when you have 30 days to try it with not a whole lot of risk other than your time, that's a compelling story.

Kristin: [30:52](#)

It is and looking at the existing infrastructure for where consumers get this higher end product service obviously is IBD, Right?

Blair Clark: [31:01](#)

Mm-hmm(affirmative).

Kristin: [31:02](#)

You've outlined successful partnership opportunities already, earlier in the interview here that we've just gone through, but I'm curious to know what keeps you awake at night about how IBDs that might be assembling or doing bike fits, et cetera, on your product? Are you worried at all about a Canyon brand experience not translating into those stores? Or are you really seeing what you're putting online and your content and just the experience that consumers are having through the research process, kind of taking care of that?

Blair Clark: [31:36](#)

I would say I'm not ignorant about the fact that there are some bike shops that think I'm the devil incarnate. And when before I took this job, I actually called an old friend who owns a successful chain and you probably know Hill Abel in Austin, Texas. And said, "Well, I'm thinking about doing this and you know, what's your advice?" And his advice was brotherly and he said, "I would rather it be used in somebody I didn't know." So in that regard, I have a great reverence for the IBD. That I made my career on the backs of those men and women in thousands of stores. You know, not just in my role at Scott or at Smith or at Specialized or Agero. But as a young man, you know, working in

jobs in high school and college, you know. So I know, and I ran a store.

- Blair Clark: [32:33](#) I know what it's like to toil and deal with customers face to face and I still enjoy that in this role. Working our sales floor from time to time or having an issue like I just referenced a minute ago, percolate up to me. Yet the challenge is how do I resolve the conflict if there is one or thank somebody for their grace. But at the end of the day, my short answer is, you know, I'm not ignorant that there will be some bad experiences as a result of IBDs not wanting to work on our brand. But I think that's really the rare, rare exception that the progressive IBD today has reached out and said, "Hey, how can we be a certified Canyon Assembler or repair center?" And so we have a network with those.
- Kristin: [33:22](#) That's where I was going with this. I definitely didn't think that you had people throwing darts at your picture. It was more about like are you planning on trying to offer any kind of like efficiency or system to enable them to feel part of your tribe as the, you know, the middleman, and that they can be.
- Blair Clark: [33:40](#) Yes. We have a long list of them that we are connected via a couple of different programs. bikerepair.com is one and we have our own networking house and so we find out where you are, what your zip code is and we give you a referral if you don't already have an allegiance to some bike shop. So.
- Kristin: [34:01](#) That's awesome. Well I-
- Blair Clark: [34:02](#) And then of course, we're also, if I can interject, we're also heavily partnered with Velofix as another alternative for a final delivery.
- Kristin: [34:11](#) And thank you for bringing that up and that's something that you did early on into your tenure. Have you really seen that create strong return in terms of just, you know, removing friction and being able to kind of deliver the brand experience that you want as an online brand? I think there's an expectation that you need to be savvier, faster and not have hiccups, you know, and really hit that seamless threshold that really seems to [crosstalk 00:34:38] like so many businesses today.
- Blair Clark: [34:40](#) Yeah. You know, I guess the parallel to us is IKEA in some ways, right? And that some people can unbox stuff from IKEA and look at all the parts and the diagrams that go, "Oh my God, where do I start?" And other people look at it and go, "Oh, this looks easy. I don't even need to read the directions. I can put it together." Generally speaking, when our bike comes out of the box, first

it's, as you know, delivered in a special package. We call the bike guard. It's not just any box. It's a very creative box that protects all the components in the frame and segregates things. And then you get this kind of welcome to the Canyon family card and a series of tools and instructions. You don't need anything else other than a little space around the box to put the bike together.

- Blair Clark: [35:34](#) And generally speaking, anybody who's mechanically inclined at all can put it together in a half an hour or less. So most people, because they are core cyclists who are selling to have no problem. You're putting on a front wheel, you're putting a seat post in, you're putting us stem or cockpit and then put your own pedals on and you're ready to go. And the torque wrenches are in there to make sure you tighten it to the right torque value and it's pretty straightforward.
- Kristin: [36:00](#) Yeah. It really is.
- Blair Clark: [36:01](#) So we have videos that help you through that. But you know, for most people it's intuitive.
- Kristin: [36:06](#) Yep. And I definitely, I feel that [inaudible 00:36:09] is a great partner for you because they offer a great experience when the box arrives and I feel the same is true for what you provide. And I'm so glad that I am, you know, a Multi Canyon owner and doing this interview because I really have tested a lot of your channels in terms of how I have an experience with your brand and you know, it's just, honestly, I just, I think it's great and I haven't had any hiccups and I find that it's been awesome. Especially the fact that I can pick up the phone and call your people. That to me is really the winner at the end of the day. So thank you. That's a really great answer on the IBDs and Velofix. The last question I wanted to ask you about is obviously data is a huge, you know, people love to talk about it and yet they have a tough time aggregating it and an even harder time implementing it and deploying it. Right?
- Kristin: [37:01](#) Obviously with the nature of your business model, data must really be an important factor in your day to day and you did allude to it before when you were talking about the website build and the fact that it took nine months plus to get out there. Are there other data points that you're finding like are really kind of coming to the top in terms of being really important for you to pay attention to you that maybe you didn't see before? I see a lot of leaders in specialty, kind of, you know, talking to each other and asking what works and then maybe checking some boxes on some things but not really understanding what's really bringing a purview into consumer centricity. And I know that that really is how you operate in this role. So I was

wondering if you might share a couple of your, you know, the winners that you find in terms of data that's really helping you be a fantastic consumer centric brand.

- Blair Clark: [37:50](#) Well there's no substitute for doing a third party survey about your customer service experiences. And you know, one of the things that surprised me in terms of data about where our customers are coming from, is it's very similar to Strava's Heatmap. If you look at the concentration of our business across the United States and you overlay the Strava Heatmap of Strava users, it's no coincidence I suppose in retrospect. But first time I saw the two, it was remarkably strong in the places where we're shipping bikes.
- Kristin: [38:26](#) That's fascinating, actually.
- Blair Clark: [38:28](#) You know, so that, that's a data surprise. You know, other surprises are how strong we've done in road bikes given that if you take gravel out of it, you know, road is flat to declining for the rest of the industry. And so we're doing well in that category. I think largely because of the innovation of our industrial designs and the leadership in terms of the position in sports marketing and the price and the German engineering. So. The bikes handle really well.
- Kristin: [39:03](#) Yes, they do.
- Blair Clark: [39:04](#) So yeah.
- Kristin: [39:06](#) They climb well too.
- Blair Clark: [39:10](#) Yep.
- Kristin: [39:10](#) Well, you're the engine on it. Making it climb well, so.
- Kristin: [39:13](#) True, I suppose. But I really, I also just think that it's beautiful product, frankly. And it's a brand that you, I don't think you have a lot of baggage in the U.S. market. You know, I feel like I can be, you know, the rider in cyclists I want to be and belong to your brand. And that's what I mean by it has a special elasticity to it. It's a really special brand. So I really am so excited to see where you continue to lead your fantastic team in this innovative company in it with awesome product. I am obviously a fan and I'm just, you know, sitting here cheering on the sidelines, supporting you guys, but I'm really excited to see where you go and obviously here we are in second quarter of 2019. As we wrap up the interview here, do you have anything that you would like to share in terms of directions for your business for the remainder of the year?

Blair Clark: [40:06](#) Well, you know, we're just really excited to launch our new website and then go live in Canada and Mexico later this year and going into next year begin to sell e-bikes, which I think is a, you know, an emerging category. It's small. It's a hundred thousand units in the United States I think and but it's growth is 74% if you look at the data from NPD group. And I think over time, if you're to forecast the future in the bike industry, is it possible that a third or half of all mountain bikes or road bikes sold are, in the United States, are e-bikes bikes? I think it's very likely.

Blair Clark: [40:49](#) There are more e-mountain bikes sold in Germany this past year than there were pedal bikes in Germany this past year.

Kristin: [40:59](#) Wow.

Blair Clark: [41:00](#) So that's a staggering statistic. I don't think the U.S. will have the same rate of adoption and I think we'll have high areas of conflict on trails and things. But I think at the end of the day it gets people out of cars to commute on an e-bike. It gets people communing with one another in nature and taking short trips. You know, one of the most, one of the highest producers of pollution is just starting your car and driving like three miles or less. And if you can just get on an e-bike to go do that. That takes out a lot of car trips.

Blair Clark: [41:38](#) So at the end of the day, I'm very excited for the future of this industry. I've put my heart and soul and life into it, and I feel blessed by it. I feel like I'm in what the Japanese call Ikigai, which is the intersection of your mission, your vision, your purpose, and your vocation. And I'm just blessed to be doing that here at this stage of my life at Canyon, this wonderful disruptor with a great tribe of people who are super excited to serve the consumer's needs. So.

Kristin: [42:12](#) That's awesome. Well, we're very lucky to have you in that role there because you are off the front and we really enjoy and trust being able to watch one of our own do that. I think I speak for the community there. So best of luck in your role. And once again, Blair, thank you so much for joining us on Channel Mastery today.

Blair Clark: [42:33](#) Thanks, Kristin. Honored to be here. Honored to have you riding our bikes too. Thanks again.

Kristin: [42:37](#) Thanks. Awesome. That was awesome.