



## Why traditional retail is not the future for ebikes

The world is changing. And that change is faster since COVID-19. The connectivity enabled by computers and mobile devices has made the reinvention of business models inevitable. According to a global study, the pandemic accelerated digital transformation in six years. In other words, the way in which we interact today is equivalent to what was expected for 2026.

Thanks to this digital transformation, ebike shoppers (along with shoppers for most other items) now have a way of researching what they want to buy, as well as taking a test ride, that is more convenient for them. And, we only need to look at trends in the food industry for example, to see how much value consumers place on convenience.

So what does this mean for ebikes?

Most ebike brands in New Zealand are still selling their bikes the old fashioned way: Through bike shops. MeloYelo on the other hand asked the question: Do we need all of the overhead associated with a retail outlet in order to sell our bikes? And if not, what are the alternatives?

If we took things to the extreme as some brands have done in the USA, we could sell our bikes entirely online, have them shipped to customers' doors, provide video assembly instructions, and deliver after-sales service through local bike shops. The problems with this model are:

- Most kiwis still want to see and test ride a bike before they buy;
- There are nuances in assembling a bike and preparing it for riding that many customers will not have the skills or knowledge to deal with;
- There are also nuances in fitting a bike to a customer that many customers will not understand;
- There is a need for instruction on how to ride an ebike and in most cases, this instruction is best delivered in person.

So, how does the digital transformation apply to the business of selling ebikes?

<b>The Old Way</b>	<b>The New Way</b>
The bricks & mortar retail establishment <i>is</i> the advertising. Active shoppers would go to town and look through bike shops.	The advertising is online. Someone on the market for an ebike goes to Google and searches for “ebikes NZ” or “ebikes Auckland” for example.
Active shoppers would rely on conversations with bike shop employees to get their questions answered.	Active shoppers can get most, if not all of their questions answered online, without leaving home. MeloYelo publishes regular blogs addressing the questions ebike shoppers have; we have a Buyer’s Guide to EBikes; and we ensure that our website contains most of the information shoppers need to know.
The bike shop not only must pay a monthly lease for their premises, but they must invest in (a) showroom stock and (b) stock to sell, in advance of making sales.	The MeloYelo franchisee pays nothing for retail premises; purchases a few demonstrator bikes, but is not required to purchase their own stock to sell. Once a customer has test-ridden a bike and wishes to place an order, the franchisee places the order online and the product is shipped from MeloYelo’s Taupo warehouse the same day or the following day.
The bike shop typically has employees who interact with the customers. These employees have varying degrees of knowledge and often are not well trained enough to answer basic questions, such as “what size battery does this bike have?” and “how far will I be able to ride on a charge?”	MeloYelo franchisees interact directly with their own customers. Our training programme and our online learning centre equip Franchisees with more knowledge about our bikes and about competitive options than bike shop employees will ever have.
The bike shop would supply printed brochures and printed instruction manuals to their customers.	MeloYelo makes all brochures and instruction manuals available online.
Following purchase, if a customer has a query, they would have to either call the bike shop or go in and see the bike shop.	MeloYelo’s online chat system allows customers to get answers to their queries without leaving home. (Of course, they can still reach out to the Franchisee who sold them the bike if they choose.

## **What does all this mean for the MeloYelo Franchisee?**

- Knowledge is power. We put you in a position to have far more knowledge about the bikes you are selling, and about competitive models from other brands, than a bike shop employee will ever have. Customers recognise and appreciate this knowledge and it is a critical success factor for our MeloYelo franchisees and Associates. Better knowledge = more sales + more trust. More trust = more referrals.
- You don't have nearly the same level of overheads that a bike shop has. You don't have a monthly retail lease to pay; you don't have substantial floor stock to invest in; you don't need to invest in your own inventory to sell.
- MeloYelo's corporate marketing efforts will drive a significant number of sales inquiries to you. You can add to your sales success by implementing local marketing programmes such as Facebook, exhibits at Farmer's Markets, etc. MeloYelo's Franchise Manager will work with you to design & implement your local marketing.
- You are in a far better position to be able to generate referral business. If your knowledge is what it should be, and if your customer relationship skills are good, then within 2 years, referrals from your existing customers can be accounting for up to 50% of your business. MeloYelo's Franchise Manager will show you how to generate referral business.