

A Business History of the Bicycle Industry

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Shaping Marketing Practices

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PREFACE

Bicycles are manufactured objects made available almost everywhere by a complex web of makers, assemblers, suppliers, distributors and retailers, which are generally referred to as the bicycle industry. This industry started as a local activity in Europe, rapidly became an international sector mainly through imports and exports, and lastly, it evolved into a global industry. This is only a vague and very partial description of the bicycle industry. But, what do we actually know about this industry? The answer is that our knowledge base is very limited and the reason behind it is the marginal role played by bicycle research. Bicycles and, in turn, bicycle research are not considered as a serious endeavour. As a result, several topics about the bicycle world are almost completely neglected, particularly the understanding of the bicycle industry.

Current research on bicycle spans different disciplinary domains and covers various topics: For instance, transportation studies deal with engineering and planning issues, sociology of sport focuses on professional road racing, medical approaches to cycling examine the positive effects of pedalling, sociology of technology researches the evolution of bicycle technology and history covers topics partially overlapping with sports and technology. The bicycle industry is generally neglected, despite its significant contribution to the system of *velomobility* (Horton, Cox, & Rosen, 2007, p. 2). Ultimately, the bicycle firms are the organizations that provide the manufactured objects, which enable people to ride for different purposes.

This book intends to remedy this state of affairs offering a contribution to a better understanding of the bicycle industry from the perspective of the firm. Its focus is on the history of marketing practices within the bicycle industry, thus blending the historical and the marketing perspectives. The book aspires to answer the following questions: What did marketing mean for the bicycle industry? How did the bicycle industry carry out its marketing activity? The analysis of marketing practices within bicycle firms has implications for both the mobility based on cycling and the reconstruction of the history of marketing practices. The former area refers to the impact that marketing decisions, made by bicycle firms, might have on fostering the use of bicycle for both utility and leisure purposes. The latter area deals with the contribution of the bicycle industry in shaping marketing practices employed across various industries, particularly the automobile industry.

The book is not a global history of the bicycle industry in the strict sense of covering the entire world, nor does it offer portraits of individual countries. Rather, this book attempts to put together scattered pieces and fill in holes to create a synthetic picture of key themes about the bicycle industry. The book is both chronological and thematic. The approach has been necessarily selective given that no useful records of the bicycle industry is available. The historical approach chosen in this book builds upon official statistics and highlights gaps and detects inconsistencies in the way statistics are developed across countries, a flaw that limits the comparability of data. The book reconstructs the industry marketing practices that influenced many other industries, including the automobile and provides an empirical evidence on one of the leading bicycle producers across the globe.

The book is organized into four chapters. The first chapter examines the manufacturing of bicycles. A bicycle is a product made from a complex set of activities based on various technologies and materials. The chapter reconstructs the history of bicycle fabrication as intertwined with the principle of interchangeable parts and the influence exercised on the automobile industry. The chapter expands its focus from how a bicycle is manufactured to the key categories of firms participating in the business system adopted within the bicycle industry.

The second chapter discusses the data available to understand the bicycle market. The chapter is a journey into the bicycle statistics available to emphasize current drawbacks and limitations. A selection of five statistics is presented through examples based on primary and secondary

data drawn from several countries including the United Kingdom or Italy. It focuses on a set of key variables employed to measure the performance of the bicycle industry in the domestic and international context.

The third chapter examines the bicycle marketing focusing on its three pillars, which consist of understanding customers through market segmentation, designing a market offering for those customers who bicycle firms choose to serve and using sports as a marketing tool. For each topic, the chapter discusses the evolution of marketing practice since the birth of the bicycle industry. Furthermore, the chapter is enriched through examples, based on data, showing market segmentation approaches, market offering hierarchies and participation by bicycle firms to key stage-races on the road.

The last chapter provides an extensive exemplification of how a North-American bicycle firm, Cannondale Corporation, managed its marketing activity in Europe during a twenty-year time frame. The analysis deals with its product policy decisions in the Italian market and focuses on how the company created and managed variety in its product lines, and which dimensions of variety were employed.

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Horton, D., Cox, P., & Rosen, P. (2007). Introduction. In D. Horton, P. Cox, & P. Rosen (Eds.), *Cycling and society* (pp. 1–23). Farnham, UK: Ashgate.

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