

# BUSINESS

The Seattle Times

PERSONAL TECHNOLOGY  
 Every Saturday: Personal computing, electronics news  
 VISUAL AUDIO

www.seattletimes.com/business/technology

SATURDAY, DECEMBER 13, 2003 | C

## Bike discounter challenges indies

By JAKE BARTSELL  
 Seattle Times business reporter

Seattle's bicycle industry, long known for its rich array of independent shops, shifted into another gear this week with the opening of a Supergo discount store.

Supergo, which has a reputation for massive selections and cut-rate prices, opened its seventh U.S. store Monday at 4501 Roosevelt Way N.E. in the University District.

The chain also sells through its catalog and Web site and says it parlayed its considerable buying power into bargains, often on manufacturer closeouts.

"Because of our size, we're able to get great discounts and pass them along to the customer," said Stuart Westland, director of marketing for Supergo, which also has stores in California and Arizona. The company was bought last year by Chapel Hill, N.C.-based Performance.

Supergo is aggressively expanding, Westland said, and chose Seattle because "it's one of the most con-



Dan Towle, owner of R&E Cycles of Seattle, helps fit Jean Amick to the right bike. Towle says Seattle-area riders still want independent stores.

centrated cycling markets in the country."

Supergo's arrival has raised more than a few eyebrows among the area's independent bike dealers. But bike-shop owners say their stores provide more attentive service than Supergo can, and they point out that

in a bike-savvy city like Seattle, customers have high expectations.

"My opinion's always been that when you buy a bicycle, you're buying a relationship with the shop you purchase your bicycle from," said Dan Towle, owner of R&E Cycles, about a mile northeast of Supergo in

the U District.

Some of Towle's regular customers come from as far away as Tacoma because they trust his store's quality and service, he said.

Independent shops still flourish in cities where Supergo has stores, but they may have to work a bit harder, said Marc Saml, publisher of Bicycle Retailer & Industry News magazine in Laguna Hills, Calif.

"Overall, Supergo has not hurt really good specialty retailers, just like REI hasn't hurt really good outdoor retailers," Saml said. "Those retailers will do well no matter what moves in next to them. If you're an outstanding specialty retailer, you're probably not going to lose a lot of sleep over it."

In local cycling circles, the buzz surrounding Supergo has ranged from retailers wary of the chain's pricing to cyclists who say they've mail-ordered from Supergo and plan to check out the store, said Scott Marlow, marketing director for the Cascade Bicycle Club.

"If you look at the majority of bikes, they're not purchased at specialty dealers, they're bought at

PLEASE SEE **Bikes** ON C 4

## Boeing states its cooperation in federal probe

THE ASSOCIATED PRESS

WASHINGTON — Boeing said yesterday that it will cooperate with federal investigators examining the aerospace giant's recruitment of an Air Force official while she was overseeing the company's contracts.

"The company has been cooperating and will continue to cooperate with investigators," spokesman Ken Mercer said.

The U.S. Attorney's Office in Northern Virginia has begun a criminal investigation of the events sur-

rounding the hiring of the former Air Force official, Darleen Dryum, The Wall Street Journal reported yesterday. Boeing last month fired her and its chief financial officer, Michael Sears, who had approached Dryum about working for Boeing.

A Boeing spokesman declined to comment on or confirm the criminal investigation. The Pentagon and the Justice Department also declined comment.

The Pentagon has postponed plans to lease 20 air-refueling tankers from Boeing and buy another 80 while its internal auditors examine whether Dryum

and Sears improperly affected negotiations. The scandal also led to the resignation of Boeing's chairman and chief executive, Phil Condit.

The main Senate opponent of the tanker deal, Sen. John McCain, R-Ariz., said he was not surprised by the report of the criminal investigation.

"I predict that this will also sooner or later involve Air Force officials, because this was a relationship that the Air Force officials were working in close contact with the Boeing people," said McCain, a member of the Armed Services Committee.

## Bike discounter challenges indies

BIKES

CONTINUED FROM C 1

mass merchants like Wal-Mart or Target," Marlow said. "Could Supergo fill a niche between the independent dealer and the mass merchants? Possibly."

Inside the store, a former Warehouse music store, hundreds of bikes are stacked to the ceiling.

The store also has bountiful selections of accessories such as bike shorts, gloves and protective gear.

"There is a huge amount, so I can choose more," said Dalho Yoon, a visiting physics researcher from South Korea who stopped by the store to order pedals for his son's mountain bike.

Even back home in South Korea, Yoon said, he's mail-ordered brakes and pads from Supergo because prices were cheaper than what he'd pay at a Korean retail store.

Stan Gregg, co-owner of Gregg's Cycle, a three-store local chain, said Supergo could help bring newcomers into the sport.

But, he said, independent shops will continue to have better quality and more experienced employees.

"Basically, I say, 'Bring it on,'" said Gregg, whose Green Lake store opened in 1932. "We're ready to tumble."

Jake Barsell: 206-464-2718 or jbarsell@seattletimes.com