




▲ Located in Piestany, has a factory of 1,000m².



▲ This statue is a famous symbol of Piestany spa.

Kellys brand to be trustworthy and appealing. Ma Ma President Peter Vetric has a low-key personality; besides expressing gratitude to employees for the

success of Kellys bikes, he also wished to thank his Taiwanese partner Uni-Victor for its support and excellent products and experience. Vetric is not optimistic

about the market in 2010, and expects Kellys' sales to fall by 30% this year. However, Ma Ma will stay exclusively dedicated to the Kellys brand. 

CTM's Boutique Business Model

Text & Photos: Editorial Dept.

CTM evolved from a bike shop, and is managed by big cycling fans. Located in Slovakia, CTM is sticking to its core business area and adopting a boutique business model. Although the company enjoyed a bustling year in 2008, selling 20,000 bikes, the recession left them with an inventory of close to 4,000 bikes in 2009. This has had a negative impact on the company's operations. Unfortunately CTM did not ask vendors



▲ Co-founders Kamil Vrabel (left) and Miroslav Lukac (right) were high school classmates.



▲ Marketing GM Jan Lukac.



▲ CMT manufactures MTBs and cross bikes.



▲ When the recession hit, CTM didn't ask vendors to delay deliveries quickly enough, leaving them with a fairly large back inventory.

at an early date to postpone their deliveries, said Marketing Manager Jan Lukac.

CTM currently has 220 distributors, of which 100 are in the Czech Republic and 120 in Slovakia. Its bikes sell for roughly €150-400, and the average retail prices is around €200. Because Slovakia began using the euro only on January 1, 2009, CTM sells its products for different prices in Slovakia and the Czech Republic—euro prices and Slovak koruna prices. Commodity prices in Slovakia and the Czech Republic differed by 20-25% in the past, and a 20% differential still remains. CTM sells its products chiefly in the Czech Republic (35%) and Slovakia (65%). But while sales in Slovakia consist of 55% mountain bikes and 45% cross and trekking bikes, 70% of the bikes sold

in the Czech Republic are cross bikes, and only 30% are mountain bikes. CTM hopes to expand into Poland in the future, and increase production to around 25,000 bikes annually.

CTM moved into a new plant with an up-to-date assembly line and office area in January 2008. However, due to the financial downturn and fluctuations in the value of the Polish and Hungarian currencies, CTM's sales suffered in 2009. Slovakia adopted the euro on January 1, 2009, and retail prices are still marked in both euros and Slovak koruna. The fact that many Slovaks living near the country's borders purchased goods (including bicycles) in Poland, Hungary, and even Austria has had a strong impact on domestic retailing, forcing many Slovak bicycle firms to cut the prices in an attempt to stir

up sales. CTM followed suit by dropping prices. Because CTM has long focused on only the Czech and Slovak markets, it has accumulated a large inventory, which is acting as a heavy drag on the company. CTM now hopes to sell off its inventory and free up more funds for use in operations.

CTM's two major stockholders—Miroslav Lukac and Kamil Vrabel—were high school classmates and once owned a bike shop. They founded the CTM brand in 1999. The two partners are both enthusiastic cyclists, and are extremely fond of bicycles. Amethy is CTM's agent in Taiwan and China. CTM's plant is located approximately 30 km from the Slovak spa town of Piestany, and is also around 30 km from the Kellys plant. 🌀



▲ The CTM assembly line.



▲ CTM's new factory about 30km from the spa town of Piestany.