



# The rise and **rise** of the BIKE BUSINESS

*Richard Peace*

In 1885 John Kemp Starley produced the first of a new kind of machine, the safety bicycle. The name was to distinguish it from its predecessor, the penny-farthing, often seen as a dangerous contraption used only by younger men for sport. That one bold leap meant the new design was the basic template for what became a huge industry based on the simplest, most economic and efficient personal transport machine on the planet.

#### NATIONAL TO GLOBAL

By the time of the First World War UK's Raleigh was the world's biggest bicycle producer, making 52,219 bikes in 1914. There were also strong national industries in the US and France, but today the bicycle industry has become a truly global one dwarfing the early success of Raleigh. After a huge production surge in the 1980s levels rocked and are currently peaking at around 130 million, more than twice the level of automobile production.

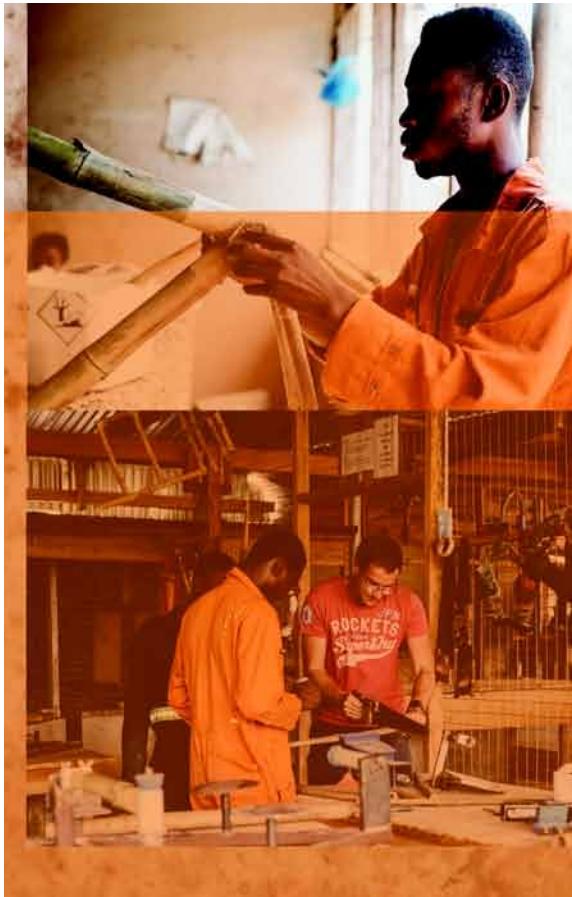
The top five bicycle producers – China, India, the EU, Japan and Taiwan (known as the Bicycle Kingdom) – are responsible for 87% of global production.

The market is dominated by large groups who either own, control or supply many of the smaller companies. For example Giant, said to be the world's largest manufacturers of bikes, supplies US companies Scott and Trek as well as making its own brand models. Raleigh's bike production left the UK decades ago and is now owned by Dutch-based conglomerate Accell. These two behemoths also compete globally with Canadian-based Dorel group, owners of Cannondale and Schwinn.

#### TECHNOLOGIES AND TRIBES

The bike manufacturing boom that started in the 80s was fuelled by technological change and increasingly slick and well-directed marketing.

There is a constant quest for lighter yet more sophisticated bikes. Once-exotic materials like carbon fibre have become more prevalent and many ranges of good quality bikes now include a carbon frame option.



The burgeoning of high-tech has certainly helped. For example, premium brand Cervélo uses computational fluid dynamics and wind tunnel testing at the San Diego Air and Space Technology Center in its efforts to produce the fastest, lightest designs. A production revolution may also be just around the corner in the form of 3D printed frames which promise to slash manufacturing times and boost profit margins.

Precisely targeted social media campaigns are another valuable tool. These help brands appeal to so-called bike tribes, be they mud warriors on a mountain bike, fashion conscious single-speed city hipsters or so-called road racing mamilis (a humorous term meaning middle aged males in lycra that has found its way into the Oxford English Dictionary).

#### THE FUTURE IS ELECTRIC AND CONNECTED

The last decade has seen the swift advance of the electric bike revolution, most notable in continental Europe, especially the Netherlands and Germany. Recently e-bikes became the biggest selling single category in the Dutch cycle market and it appears more than 50% of all bikes sold there will soon be electrically assisted.

Motors are now sleeker and more powerful than ever and new technologies, from anti-lock braking to internet connected displays are rapidly pushing designs forward. Bosch motor systems are current e-bike market leaders followed closely by Shimano and Yamaha.

Constantly improving cycle infrastructure in cities like Amsterdam and London could even help promote the safe use of larger pedal powered vehicles like the remarkable Bio-Hybrid.

#### THE SOCIAL ASPECT

Cycling has been credited with assisting Victorian women's independence by providing relatively cheap and easy mobility, despite protests that their new more practical cycling attire was immodest and that female cycling itself was unseemly.



Today the bike business is still contributing to societal development in all sorts of ways. Dockless bike sharing schemes like Mobike and Lime attracted huge venture capital as part of the new digital economy, whilst allowing city dwellers cheap access to bikes at the swipe of a smartphone. The jury is still out on whether the boom has turned to a permanent bust or whether dockless bike share will see the rise of a new 'Amazon of urban mobility'. More traditional schemes with docking bays like London's so-called Boris Bikes or Paris's Vélib appear to be going from strength to strength.

Bikes are also playing a key role in economic and social development in Africa. My Boo are a German-Ghanian manufacturer of bamboo-framed bikes and have pioneered the Yonso Project whereby both newly-recruited and experienced local workers jointly build the frames; fair wages and good working conditions are also part of the deal. Some My Boo profits fund school scholarships and 2019 saw the opening of a My Boo funded school in the area.

Other bike schemes that give back to Africa include Re-Cycle and Elephant Bikes. The former collects shipping container loads of secondhand bikes donated by the public which are sent for use in The Gambia and Ghana. Elephant bikes collected many thousands of the unwanted Royal Mail post bikes discarded throughout the UK when RM abandoned their use. They are reconditioned and every time one is purchased by the public it pays for a free one sent to Africa.



Left page:  
The Yonso Project Ghana ©My Boo  
Dockless schemes like Mobike may have boom and bust ©MNXANL Creative Commons  
Bottom from left to right:  
My Boo bamboo bike with frame made in Ghana ©My Boo  
Brompton bike was virtually handmade in the early days by designer of the bike Andrew Ritchie ©David Henshaw  
Girly Superstokes ©cavyp  
Penny Farthing Racing was a dangerous sport for young men ©Unknown  
Riese and Müller Electric Cargo Bike ©Richard Pace



## STANDOUT BIKE BRANDS

One route to success in a fiercely competitive market is to stand out from the crowd, which these brands do par excellence.

## Koga – Record Breakers

The Dutch are renowned for their city bikes but Englishmen Mark Beaumont twice set a round the world record on Koga's long distance bikes. The top of the line Kimera Premium features the latest electronic gear shifting and only weighs 8.4kg.

Riese & Müller – Unique E-bikes

Riese & Müller produce a large range of premium quality, uniquely designed e-bikes. Their electric cargo range is hugely innovative and versatile.

Brompton – Brilliantly Engineered Folders

Starting out as virtually hand made machines in the 1980s, Bromptons are now the must have rail commuter bike, known for unfolding from the size of a small piece of luggage into a tremendously well made bike with almost the same footprint and riding position as a full sized machine. Such has been its success Brompton has moved from its roots as a microbusiness to an expansive factory in West London producing around 50,000 bikes a year.

Greyp – Is this the Future?

Greyp makes electric supercars and their e-bikes come with such technologies as fingerprint recognition, built in cameras, gyroscopes and 4G connectivity.

