THE BICYCLE INDUSTRY’S GREATEST OPPORTUNITY
Industry Growth
Growth in the Bicycle Business

Mountain Bike Growth

Road Bike Growth

Industry’s Growth Plans for the Next 20 Years

ON PRODUCT ...

... Same As the Last 20 Years
Industry’s Growth Plans for the Next 20 Years

ON MARKETING ...

... Same As the Last 20 Years
Interesting
Global Trends
1. The world is getting fat

<table>
<thead>
<tr>
<th>Average Weights</th>
<th>1960</th>
<th>2002</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kids 6-11</td>
<td>63 lbs.</td>
<td>74 lbs.</td>
<td>11 lbs.</td>
</tr>
<tr>
<td>Men over 20</td>
<td>167 lbs.</td>
<td>191 lbs.</td>
<td>24 lbs.</td>
</tr>
<tr>
<td>Women over 20</td>
<td>139 lbs.</td>
<td>163 lbs.</td>
<td>24 lbs.</td>
</tr>
</tbody>
</table>
1. THE WORLD IS GETTING **FAT**

Obesity Trends* Among U.S. Adults

*BMI ≥ 30, or ~ 30 lbs. overweight for 5’4” woman

![Map showing obesity trends in the US](image-url)
In 2003, traffic congestion delayed people worldwide for 7 billion hours and wasted 5 billion gallons of fuel.
3. URBANIZATION

For the first time in human history, more people are living in cities than in the rural areas, and the rate of urbanization is increasing.

In 1950, the world had just 2 “megacities” with populations in excess of 10 million. Today, there are at least 20.

There are over 200 cities in China with a population over one million.

The United Nations estimates that about 180,000 people are added to the urban population every day.

By 2050, an estimated two-thirds of the world’s population will live in urban areas.
4. ENVIRONMENT

Emissions from cars far outweighs that from power plants.

Vehicles contribute to an estimated 60-70% of urban air pollution.

60% of the pollution created by car emissions happens in the first few minutes of operation.
What kind of product can we develop to address these trends?
How the bicycle solves problems

HEALTH ISSUES
Bicycling burns 500-700 calories per hour. Driving a car burns 5-20.
Bicycling promotes healthier lifestyles, strengthens family bonds, provides a recreational outlet for youth, and builds closer-knit communities.

ENVIRONMENT ISSUES
Car emissions produce 60-70% of urban air pollution. Bicycles produce 0%.
Commuters waste 2.3 billion gallons of fuel annually in traffic jams. Bicycles waste 0 gallons.

CONGESTION ISSUES
50% of car trips taken are less than 2 miles long.
A 4-mile journey in Central London takes 40 minutes by car, yet only 22 minutes by bicycle.
7 to 12 bicycles can be parked in one automobile parking space.
The industry’s greatest opportunity and challenge is to create a bicycle friendly world.
We don’t need to reinvent the wheel. A bicycle friendly world already exists in:

**The Netherlands**
25% of population commutes by bicycle

**London**
Bike commuters don’t pay congestion charge

**Boulder, Colorado**
21% of population commutes by bicycle

**Portland, Oregon**
Congressman Blumenauer’s Bike Commuter Act
The U.S. Needs to Catch Up

Trips Taken by Bike

- Netherlands: 30%
- Denmark: 20%
- Germany: 14%
- Switzerland: 10%
- Austria: 9%
- Canada: 2%
- U.S.: 1%
The U.S. Needs to Catch Up

Bike Commuter Percentage

- Davis, California: 25%
- Boulder, Colorado: 21%
- Minneapolis, Minnesota: 2.63%
- Washington, DC: 1.42%
- Los Angeles, California: 0.63%

U.S. Average is less than 1%
What if the world’s bike usage was like the Netherlands or Boulder?

“Cycling is the fastest, cheapest, most healthy and environmentally friendly way to get around London, which is why we are investing £20m this year to improve cycle facilities in the capital. The number of cyclists on our roads has doubled since 2000 and we’ve already exceeded our cycling targets five years ahead of schedule, on top of achieving a shift from car use to public transport. I will now be looking at tougher targets so we can continue to build on this success and encourage many more cyclists in London.”

- London Mayor, Ken Livingstone
If bicycle trips in the U.S. grew from 1/2 of 1% to 5%, what would happen to the size of the bicycle industry in the U.S.?
Creating a Bicycle Friendly World

Louisville, Kentucky : a Bicycle Friendly Community Success Story
Creating a Bicycle Friendly World

**Louisville, Kentucky**: a Bicycle Friendly Community Success Story

**Goal**: Bicycling is fully integrated into the transportation network. Bicyclists of all ages and skill levels feel comfortable and safe riding to their destinations.

![Metro area bike map and city commissioned racks](image)

![Public transit Bikes-On-Board Annual Boardings](image)

*Public transit Bikes-On-Board Annual Boardings*

*a 90% increase from 2002-2005*

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boardings</td>
<td>9,000</td>
<td>48,000</td>
<td>65,000</td>
<td>72,000</td>
<td>91,000</td>
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## Then vs. Now in the U.S.

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry money for advocacy</td>
<td>$0</td>
<td>$2 million</td>
</tr>
<tr>
<td>Government spend</td>
<td>$20 million</td>
<td>$800 million</td>
</tr>
<tr>
<td>Safe Routes to Schools</td>
<td>$0</td>
<td>$100 million</td>
</tr>
<tr>
<td>Bicycle Friendly Communities</td>
<td>0</td>
<td>58</td>
</tr>
</tbody>
</table>
What the Global Bicycle Business Needs to Do
Understand that the #1 way to grow the bicycle business is to create a bicycle friendly world.
1. GET INVOLVED WITH GOVERNMENT LEADERS
2. GET INVOLVED WITH ADVOCATES

- Bikes Belong Coalition
  (Putting More People On Bicycles More Often)

- International Mountain Bicycling Association

- League of American Bicyclists

- World Bicycle Relief
3. TAKE RESPONSIBILITY FOR YOUR MAJOR / HOME MARKETS
4. RE-DIRECT RESOURCES AWAY FROM TRADITIONAL SPENDING TO ADVOCACY

- **Marketing**: 3.9%
- **Product Development**: 1.6%
- **Advocacy**: 0.001%

**Percentage of Sales Spent**

- **Today**:
  - Marketing: 3.9%
  - Product Development: 1.6%
  - Advocacy: 0.001%
A small group of thoughtful people could change the world. Indeed, it’s the only thing that ever has.

— Margaret Mead