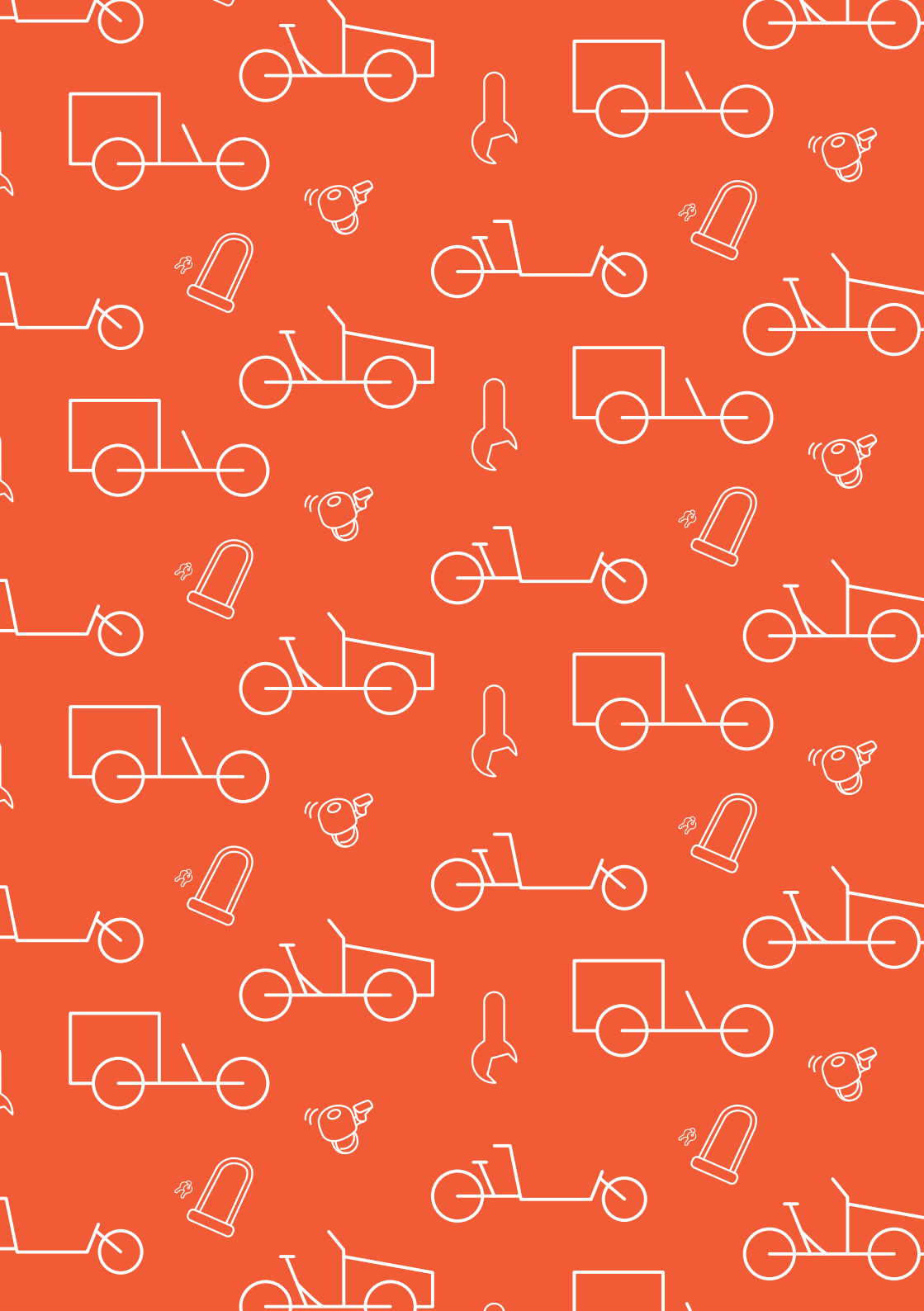
A Retailer's Guide to Cargo Bikes

cyclelogistics
City Changer Cargo Bike



A Retailer's Guide to Cargo Bikes
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About us

City Changer Cargo Bike (CCCB) builds on the limitless potential of cargo bikes, promoting their usage among public, private, and commercial users. Through support of the Horizon2020 programme, CCCB brings together a team of 20 partners from Norway to Greece, the United Kingdom to Bulgaria. Learning from best practice across Europe, CCCB will raise awareness and support the uptake of cargo bikes and cargo bike initiatives.

In doing so we will foster exciting developments that, among other things, offer more sustainable logistics operations, improve public spaces, engage citizens, and reduce traffic congestion. The initiative will also work to get cargo bikes in European cities by developing new financing schemes and providing opportunities to test cargo bikes.

En ordentlig

Executive summary

This guide equips bicycle retailers with newfound inspiration and understanding of the growing market and possibilities of cargo bikes in European cities. With new developments in public funding opportunities, battery innovations, lifestyle trends, and improving cycling infrastructure now is the opportunity for bike shops to establish themselves as first movers, acting as agents of change in their local communities.

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What is a cargo bike?

Cargo bikes are bicycles (or tricycles or quadracycles) specifically designed to carry cargo, be it heavy or light, big or small. Cargo bikes take many forms, ranging from the traditional short john, to the three-wheel cargo-trike models, to custom built four-wheel frames with electric pedal assist motors for specific commercial needs. And while cargo bikes have been in use for more than a century, recent design and battery innovations have made contemporary models much more efficient and accessible.

Cargo bikes are available as both traditional manually powered drive chains and as electric assist models. While both are viable options, each comes with their own pros and cons. Put simply, traditional manually powered drive chain bicycles are lighter, more affordable, and easier to maintain. Electric assist cargo bikes, on the other hand, can increase not only the amount of cargo that can be carried, but open up cargo bikes to a much wider audience looking and to much larger geographies.

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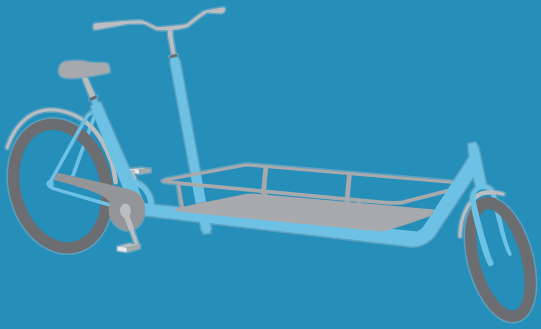
[1] Persistence Market Research. 2018. Global Market Study on Electric Cargo Bikes. Available at https://www.persistencemarketresearch.com/market-research/electric-cargo-bikes-market.asp

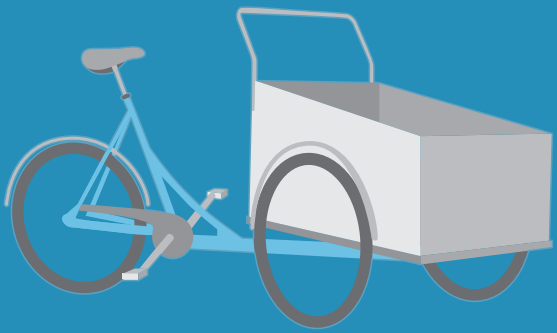
[2] Forbes.com. Carlton Reid. 2019. Cargobikes Not Drones Are The Future For Urban Deliveries

The cargo bike market

Over the last decade, the cargo bike industry and community has witnessed a significant growth, largely driven by innovations in electric battery assist options. Magazines, documentaries, international conferences, and professional organizations all hint at the rising popularity of cargo bikes. This growing popularity has also fueled the growth of the industry, with new innovative designs coming out of countries such as Denmark, France, the Netherlands, Germany, and the US. In fact, more than 40 different cargo bike producers are on the market, representing established brands, new startups and even long established automanufactorers.

As for market numbers, the global electric cargo bike market was valued at €352 million by the end of 2018, with an annual growth rate of 13.3% projected until 2026, at which point reaching an estimated global value of €960 million. The European market is expected to drive much of this growth, which in part is already being witnessed[1]. In Germany alone 15,000 e-cargo bikes were sold in 2016. And although sales numbers for 2018 are not yet available, anecdotally they are estimated to have more than doubled[2].





The Norwegian publication, Cargobike Magazine, identifies three broad categories of cargo bikes for everyday consumers, including short cargo bikes, two-wheelers, and three wheelers.

Short Cargo Bikes are great for customers who are looking to carry larger cargo, but aren't comfortable, or simply do not want, an especially large bike. They are also easy to maneuver and bring on a train. Producers in the Short John market include: Omnium, and Velorbis.

Two-Wheelers are great for customers looking for a quick and maneuverable ride able to carry both passengers or cargo. There are a range of shapes, with some offering a more speed-oriented geometries while others have more laid back sitting positions. Popular two-wheeler producers include: Bullitt, Omnium, Riese & Müller, Bakfiets, Biomega, and Urban Arrow.

Three-Wheelers are the minivans of the cargo bike world. Great for carrying multiple passengers or larger cargo, three-wheelers provide a relatively slower and more stable ride. They are especially stable when riding slowly and provides more comfortable spaces for passengers. Popular three-wheeler producers include: Siigar Bikes, Christiania Bikes, Butchers & Bicycles, Babboe, Nihola.

Who is using cargo bikes?

Families
Cargo bikes are perfectly suited for solving many of the everyday logistics needs of urban families. Across Europe the cargo bike is replacing automobiles, empowering the concept of car-free living. With the potential to carry children, groceries, toys, and pets (sometimes all at once) with their given high load capability, cargo bikes are redefining transportation for the modern urban family.

In fact, studies show that 80% of all private logistics trips (shopping, leisure, etc.) can be done by (cargo) bike and this does not even include the daily transport of children, where the cargo bike is a great alternative to a second family car. In Oslo, families have arranged Baby Biking Meetup, where parents meet up for social rides through the city along recreational paths and protected on-street infrastructure with their young children as passengers on their cargo bikes.

Bike & Bloom
Bike & Bloom
socialøkonomisk virksomhed

Community initiatives

Designed to carry people and goods, cargo bikes have proven to be great at carrying ideas. Social enterprises, community groups, and volunteer organizations have found cargo bikes to be useful tools in engaging citizens, connecting neighbours and simply getting the job done, big or small. With over 1,200 local chapters in more than 40 countries, Cycling Without Age has used rickshaws, a form of cargo bike, to facilitate intergenerational relationships while addressing mental health among the elderly.

Businesses

Faced with increased competition from e-commerce, many local retailers are looking for ways to better serve and connect with their clientele. And for some retailers the cargo bike has been an important part of this shift. From product delivery to small pop-up street shops, the cargo bikes flexibility, PR potential, and low buy-in costs have made it an integral part of the business. One such example is Bike and Bloom, a Copenhagen-based flower store that handles deliveries and sales by cargo bike.

Why now?

Technological advances and global trends in urban living have led us to a point in which the cargo bike is positioned to solve many of the needs facing urban citizens. Affordable and efficient rechargeable batteries have broadened the market of potential cargo bike users.

Meanwhile, an increasing response from cities to tackle road congestion, reduce emissions, and address the impacts of climate change is improving the accessibility of cycling as an everyday mode of transportation (albeit slowly). Growing networks of dedicated bike lanes are helping normalize generations to cycling as an everyday mode of transportation, facilitating life without prive automobile ownership. This combination of lend to the growing potential of cargo bikes, especially among families with young children, small businesses, and community initiatives.

With these combined movements, now is the opportunity for bike shops to establish themselves as first movers, acting as agents of change in their local communities.

parken
ca. feen funke

Selling points

Affordable
From shuttling kids around town to moving furniture, the cargo bike unlocks a whole new set of trips that are otherwise most conveniently done by private automobile. So while relatively expensive compared to a conventional bike, customers can save on both up-front and operating costs by reducing their reliance on a private automobile, especially for everyday trips in the city. Whatsmore, quality cargo bikes have a tendency to retain their value relatively long, making resale a reliable option when it comes time.

Fast and Reliable
Cargo bikes benefit from the same reliability as conventional bikes, reliable in all weather and traffic conditions. But with cargo bikes users can also gain access to areas that can be difficult, at best, for cars, vans or lorries to access. In addition, cargo bike users may have access to off-road cycling infrastructure, providing options when accessibility is a problem.

Comfort and Convenience
The stability of a three wheel cargo bikes make them surprisingly comfortable and stable to ride. No need to even take your feet off the pedals while stopped at a red light! Plus, the larger size helps make cargo bike

BY 75 339

users more visible in traffic. Once at your destination, the ease and simplicity of parking a cargo bike makes car parking a distant memory. The convenience of being able to carry friends, family, furniture, groceries and/or work equipment quickly makes the cargo bike an indispensable tool. Cargo bikes start as a convenience, but quickly become a necessity.

Environmentally Friendly

It goes without saying that cargo bikes are an incredibly green alternative to the private automobile, van, or lorry. For young families looking to ditch a car or maintain a car free lifestyle while balancing the requirements of parenthood, the cargo bike offers the perfect solution for maintaining a car free lifestyle. For business-to-business sales, cargo bikes fit nicely into CSR (corporate social responsibility) policies where the green credentials are a significant purchasing factor.

Fun

Whether it's the smiling faces of children riding in the front of a three wheel cargo bike or friends being chauffeured home from an evening night out, the sheer sight of people enjoying cargo bikes can make them sell themselves. Compared to traditional bicycle trailers, front loading cargo bikes create more opportunities for social interaction and enjoyment between passenger and pilot. With cargo bikes the old cliché rings true, it's not the destination, it's the journey.

Good to know

Quality is key
As with any investment expected to handle years of appreciation, quality is key. Generally, producers that specialize in cargo bikes that have found as their primary design have greater attention to design and quality. As an indicator, look for brands that have found success in the great cargo bike nations, the Netherlands and Denmark, where a more mature cargo bike market places high value on quality and reputation.

Financial support is possible
A growing number of European Governments are implementing subsidy schemes to make it easier for both private users and business to invest in new cargo bikes. In the UK and Sweden, for example, the National Governments have announced incentive schemes contributing 20% and 25%, respectively, of

the bicycle purchase price of any new electrically assisted cargo bike[3,4]. Similar financial incentives have been implemented in Austria, Norway, and France.

Ongoing service requirements

As with any bike (or vehicle for that matter), cargo bikes require regular maintenance. Though with more robust and electrically assisted models, extra maintenance qualifications are key. Cargo bike producers repeatedly stress the importance of dealers being certified for electrical assist systems (ie Shimano or Bosch eBike dealer certification) and expertise in draining hydraulic braking systems.

Test rides are key

Given the size of investment and impact on everyday tasks, test drives are an important aspect of the customer experience. Providing 'dummy' cargo for potential customers to test allows them to get a good understanding of how the bikes perform in a range of situations. For more extended test drives, a growing number of cities have found success in setting up "bicycle libraries" where residents can test bikes of all shapes and sizes including cargo bikes. Cooperating and/or supporting such an initiative can be an effective approach to educating potential customers.

Threat of theft

Cargo bikes have a tendency to retain their value through their life, maintaining a high resale value. One the one hand, this is great news for potential buyers, as their investments retain value. On the other hand, it makes cargo bikes a target for thieves. As such, customers are encouraged to purchase extra insurance alongside secure locks. A few cargo bike producers are experimenting with internalized GPS tracking devices, though this is still in early phases.

The extra space is worth it

It goes without saying that Cargo bikes, especially the three and four wheel models, take up extra space in the showroom. But don't let this dissuade you! Cargo bikes are more than just another bike, they are part of the equation in pushing for more bicycle friendly cities, showcasing the potential of the bike for accomplishing everyday tasks. Anecdo-

tally, many bicycle shops carrying cargo bikes say they are good ‘pull factors’ and conversation point, attracting a greater range of curious customers.

Accessorize!

Given the flexibility of cargo bikes, there are endless ways to customize cargo bikes to suit the customers needs. In fact, a growing spinoff industry of cargo bike accessories has emerged to serve particular models. Everything from roll bars to rain covers, refrigeration units to tracking devices are available from third party providers.

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[3] Department for Transport. (2018). Reformed Plug-In Car Grant extended into next decade. Accessed via https://www.gov.uk/government/news/ Feb. 14, 2019.

[4] Cykelfrämjandet. (2017). Vi Välkomnar elcykelpremie. Accessed via cykelframjandet.se Feb. 14, 2019

What to do

Reach out to distributors and producers
A growing chorus of cargo bike companies are finding new markets in Europe and abroad. While some trade directly to retailers, others are distributed under agreements with centralized distributors. After exploring the possibilities for distribution in your region, reach out to potential suppliers to get started. Both the European Cycle Logistics Federation (ECLF) and Cycling Industries Europe (CIE) are great resources to learning more information and expanding your network.

Join the conversation
The conversation around cargo bikes is gaining international traction, particularly in online forums. Joining in on existing local forums can help retailers understand the local needs and preferences for cargo bikes. If there are no apparent forums, get one started!

Participate in events
Events geared to cargo bikes, whether international or local, are gaining popularity, especially in Europe. Cargo bike festivals in Poland, Belgium and the UK, attract a wide range of advocates, producers, consumers, and like minded businesses. On a local level, advocates and passionate cargo bike communities organize cargo bike races for people of all skills. These svajerløb (a Danish tradition dating back to the 1930s) events are a fun way to showcase the potential of cargo bikes.

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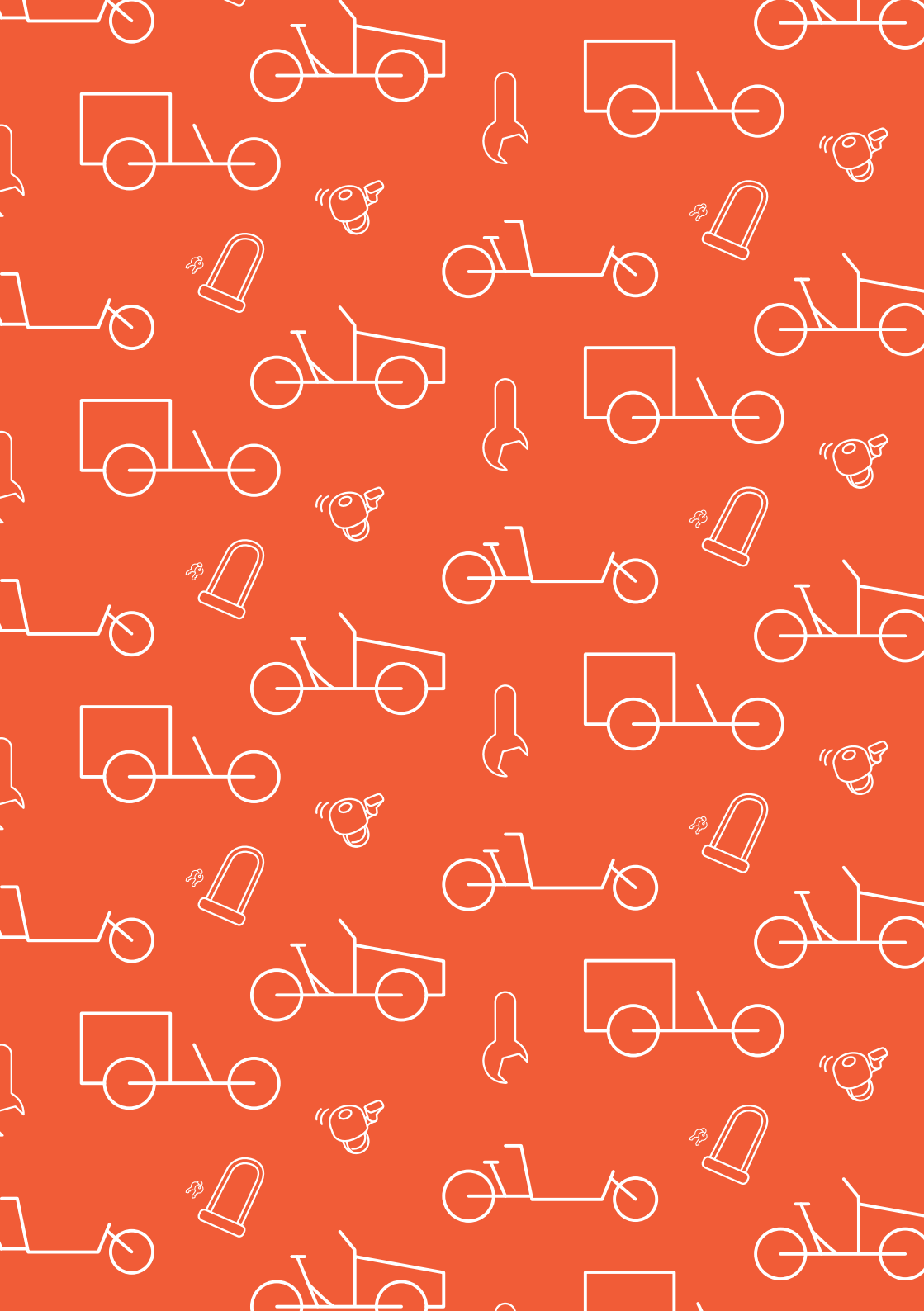

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