

Wheels Spinning Worldwide

By Megan D. Hindmarch

In 1965, a small group of urban activists in Amsterdam painted dozens of bicycles white and placed them throughout the city, unlocked, for anyone to use. Their aim: Shake things up and help address “pollution and consumerism.”

Though the *Witte Fietsenplan* (white bicycle plan) flopped due to vandalism and theft, it left its mark as the “first urban bike-sharing concept in history.”¹ Fast-forward and today, urban bike sharing is a booming worldwide business. Names like Mobike, LimeBike, U-bicycle, Spin and ofo are some of the players attracting riders and investors alike in a dynamic, competitive market.

A major impetus behind recent growth is the new freedom technology provides. Where you used to pick up and return bikes to a docking location, you’re now free to rent a ride anywhere, anytime. Download an app that helps you locate and unlock a bike, and when your trip is over, simply pull over and park. The dock-less system is credited with dropping fare prices, increasing efficiencies and convenience. For its part, the app creates data-gathering and interpreting opportunities for the app owner, and potential advertising channels for area businesses like restaurants and retailers.

True to the original “white bicycle plan,” this round of bike sharing is shaking things up, but in additional, different ways. For instance, ofo raised \$866 million in new funding in January, the largest investment garnered in a single round by a bike-sharing start-up thus far.² It joins Mobike as one of two multibillion-dollar



companies from China.³ The firms—with bikes in hundreds of cities worldwide and over 18 million daily active users combined—are bucking the traditional view that China’s start-ups simply mimic Silicon Valley creations.⁴

In countries like the United States, where bike sharing is gaining ground, competition is heating up and that’s good news for riders. LimeBike, for instance, is investing in higher quality bikes and introducing electric pedal-assist bikes and piloting a scooter program.⁵ Firms like Uber are also getting in on the act, acquiring electric bike-sharing company JUMP, and offering access to bikes within the Uber app.⁶

It’s all part of a “multi-modal mobility solution” that’s unfolding as we speak. Like its ride-hailing predecessors, bike-sharing companies face challenges as city governments look to manage how such transportation services unfold. Issues like theft, vandalism and bike dumps remain. Since it doesn’t take much for new firms to enter the market,

the competitive landscape is always changing. Market observers expect the road ahead will involve consolidation—how much remains to be seen.

Regardless of how things evolve, perhaps the ownership-free model will truly help solve cities’ long-standing “first and final mile” transportation issue. In 17th century Amsterdam, the city was growing so fast and was so congested with carriages, city council set up carriage squares on the outskirts.⁷ You’d park your carriage and walk the “final mile.” Today you might share a bike and ride.

“...urban bike sharing is a booming worldwide business.”

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 2. “Chinese bike-sharing firm Ofo raises \$866 mln led by Alibaba,” *Reuters*, March 13, 2018, www.reuters.com.
 3. Catherine Shu, “Chinese bike-sharing startup Ofo raises \$866M in new financing led by Alibaba Group,” *TechCrunch*, March 13, 2018, <https://techcrunch.com>.
 4. Masha Borak, “Mobike vs ofo: The race for the world’s bike rental market,” *technode*, September 22, 2017, <https://technode.com>.
 5. Megan Rose Dickey, “LimeBike is also getting into the e-scooter game,” *TechCrunch*, February 12, 2018, <https://techcrunch.com>.
 6. Megan Rose Dickey, “Uber acquires bike-share startup JUMP,” *TechCrunch*, April 9, 2018, <https://techcrunch.com>.
 7. Renate van der Zee, “Story of cities #30: how this Amsterdam inventor gave bike-sharing to the world.”