



# Market Report

A Snapshot of your Market Sector

## Bicycle Retailing

This pack has been designed to provide information on setting up a business in the Bicycle Retailing industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in May 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Bicycle Retailing market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The UK bicycles market by value is estimated to have increased by 5% in 2017 reaching **£1,065 million**, although volumes have declined slightly. Mintel estimates total unit sales to be just under **3 million bicycles per annum**. (Mintel, *Cycling - UK*, March 2018).
- ◆ Mintel's research also shows that 17% of all UK employees are currently interested in buying a new bike through the Cycle to Work Scheme. (Mintel, *Cycling - UK*, March 2018).
- ◆ Industry estimates suggest that the number of independent bike shops in the UK declined by almost 10% in the year to March 2017. (Mintel, *Cycling - UK*, March 2018).
- ◆ A third (**34%**) of households in Scotland had access to at least one bicycle for adult use in 2016. Eighteen per cent had access to two or more. Household access to bikes increased with household income and household size; 60% of households with an income of £40,000 or more have access to one or more bikes, compared to 19% of households with an income up to £10,000. Bicycle access was higher in rural areas than urban areas. (Transport Scotland, *Transport and Travel in Scotland 2016: Walking And Cycling*, September 2017) ([tinyurl.com/y7wxbp6z](http://tinyurl.com/y7wxbp6z)).
- ◆ The fastest-growing market segment is electric bikes. E-bikes were estimated to account for around 80,000 unit sales in 2017. This segment is now expanding faster than in previous years, albeit from a low base. Trade information indicates that, for some companies, e-bike sales are typically up from around 3% of total sales value in 2016 to around 8% in 2017. (Mintel, *Cycling - UK*, March 2018).
- ◆ The national organisation for this industry is the [Bicycle Association of Great Britain](#).
- ◆ Other industry bodies include the [Association of Cycle Traders](#), [Cycling Scotland](#), [Cycling UK](#), and the [European Cycling Federation](#).



Connect with us

## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel – *Cycling - UK (April 2018)***. Some 25% of current cyclists are interested in the idea of buying ‘a fully personalised bike’, for example featuring personal choice of colours, components etc. The opportunity here is to help this group co-create a customised version of a generic product with individual touches (along the lines of the popular ‘build-a-bear’ children’s toy). At the higher end of the spectrum producing a totally unique kind of bike may appeal.
- ◆ **IBISWorld – *Sporting and Outdoor Equipment Retailers in the UK (November 2018)***. The number of cyclists in the United Kingdom has increased by 30% over the past decade. Increasing health concerns have also boosted growth in this segment as more consumers are cycling in order to exercise. Growing concern for the environment, combined with a projected rise in fuel prices as a result of the pound depreciating may curtail demand for driving and encourage cycling for commuting purposes in the near future. However, despite its rising popularity, bicycles tend to be relatively infrequent purchases and many individuals may rent, rather than purchase equipment. The latter is particularly true for major cities where bicycle hire schemes are in place.

There are also a number of online resources you may find helpful:

- ◆ **Cycling UK, *Cycling UK's Cycling Statistics, February 2018***. ([tinyurl.com/ya8o5uk2](https://tinyurl.com/ya8o5uk2)). The latest facts and figures of cycling in the UK compiled together from reports and research by Cycling UK.
- ◆ **Transport Scotland, *Scottish Transport Statistics 2017, February 2018*** ([tinyurl.com/y8fs2833](https://tinyurl.com/y8fs2833)). This report on transport in Scotland includes some key statistics on cycling in Scotland, for example 2.6% of commuters cycle and the average cycling journey was 7.6 km in length in 2016 but 48% of cycling journeys were under 2km.
- ◆ **Visit Scotland, *Cycling Tourism in Scotland, May 2017*** ([tinyurl.com/yckj8q59](https://tinyurl.com/yckj8q59)). This report contains up-to-date tourism monitor information on domestic cycling tourism in Scotland.
- ◆ **Transform Consulting, *The Value of Cycling to Scotland, February 2018*** ([tinyurl.com/y7pkb57o](https://tinyurl.com/y7pkb57o)). This report, commissioned by Cycling Scotland, examines the economic value of the retail sales of bikes and accessories, of bike manufacturing and of cycle tourism.

**Disclaimer:** please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



Connect with us

## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



Connect with us

## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

**Last updated:** May 2018

**Updated by:** Alanna Broadley

**Connect with us**