



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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **March 2021**. 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:

- ◆ Mintel estimates that there were **2.5 million bicycles sold** in the UK in 2019, at a value of **£940 million**. Volume sales were flat compared to 2018, while expenditure increased by an estimated 2% and average pricing by 3%. (Mintel, *Cycling in the UK*, April 2020).
- ◆ All types of sports look to have a strong opportunity to grow participation once the COVID-19 pandemic subsides, with two thirds of players emerging from the crisis more concerned about looking after their health and fitness and/or keen to be more active than they were previously (Mintel, *Sports Participation: INC impact of COVID-19 UK*, October 2020).
- ◆ Over the five years through **2024-25**, industry revenue is expected to fall at a compound annual rate of 0.4% to just under **£1.6 billion**. Further action is expected to be taken on emission levels in metropolitan areas and cycling infrastructure is anticipated to continue to improve, making it safer and more desirable to cycle and thereby supporting demand for the industry's products and services. (IBISWorld, *Bicycle Retailing in the UK*, February 2020).
- ◆ Over the five years through 2020-21, industry revenue is expected to **grow** at a compound annual rate of 1%, generating **£8.9 billion**. The industry began the period strongly, with improving economic conditions and rising disposable incomes fuelling discretionary expenditure and increasing demand for industry products. Rising health consciousness and government initiatives to increase sport participation have widened the potential market for the industry. (IBISWorld, *Sporting and Outdoor Equipment Retailers in the UK*, February 2021).
- ◆ People in Edinburgh and Highland were more likely to cycle to work usually/regularly than in any other authority. The average for Scotland was 4.9%. (ACMRScot 2019) (We Are Cycling UK, [Cycling UK's Cycling Statistics](#)).
- ◆ The national organisation for this industry is the [Bicycle Association of Great Britain](#). Other industry bodies include [British Cycling](#), [Association of Cycle Traders](#), [Cycling Scotland](#), [Cycling UK](#) and the [European Cycling Federation](#).



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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.

- ◆ **Mintel – Cycling in the UK (April 2020).** Most bicycles sold in the UK are imported. In the second half of 2019 HMRC data showed a strong rise in bicycle imports, following a decline in the first half of the year. As a result, full-year 2019 imports increased by 7% compared with 2018.
- ◆ **IBISWorld – Bicycle Retailing in the UK (February 2020).** Inner city and urban areas have better road surfaces and more cycle paths, making road bikes more appropriate in these locations. The price range for these bikes is particularly wide, as they are demanded by professional riders who can spend upwards of £5,000 on a bike, to fair-weather riders who are looking to commute to work. Demand for road bikes has increased significantly following Great Britain's recent success in both the Olympics and the Tour de France, with the likes of Sir Bradley Wiggins and Chris Froome becoming household names.
- ◆ **IBISWorld – Sporting and Outdoor Equipment Retailers in the UK (March 2021).** Fears of catching the COVID-19 virus on public transport led to a 200% increase in cycle-to work schemes, while bike retailer Halfords cycling category grew by 49.1% in the 39 weeks through 1 January 2021.
- ◆ **Technavio – Global Bicycle Market (2021-2025).** Offline was the largest segment of the market in 2020 and will continue to be the largest segment of the market in 2025, growing slower than the overall market (6.75%). It would grow at a compounded annual growth rate of 6.39% between 2020 and 2025. Offline would be the slowest growing segment within the overall market and would grow from \$49,539.89 million in 2020 to **\$67,523.2 million in 2025**. Offline would contribute 86.86% of the incremental growth of the overall market between 2020 and 2025.

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

- ◆ **Scottish Transport** publish annual Transport Statistics which give an overview of travel in Scotland, including personal travel e.g. driving, walking and cycling. (tinyurl.com/4vb9k9kd)
- ◆ **COYA** have published a table ranking the best cities around the world for cycling in, analysing conditions in 90 cities. (tinyurl.com/4f5yc9d8).
- ◆ **Sustrans' Bike Life** reports offer insight into the uptake of cycling in Scotland (broken down by city) and the progress made towards making cycling an attractive and everyday means of travel. (tinyurl.com/u2xjty8m).

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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 or by calling **0300 013 4753**



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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 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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 Accountant](#)" 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](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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