



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 **May 2024**. 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:

- ◆ 23% of all existing or prospective cyclists, rising to 35% of current riders, plan to buy a bike in the next 12 months from July 2023. Meanwhile, 46% parents of under-16s plan to buy a bike for their child over the same period. When it comes to bicycle purchases for themselves, e-bikes are the most popular type of bike cyclists plan to buy in the next year. This is despite the fact that 83% of cyclists have at least one concern about buying an e-bike, with their cost being the most prominent. (Mintel, *Cycling in the UK*, November 2023).
- ◆ External competition poses a formidable challenge to bike retailers' expansion. However, government initiatives promoting active and eco-friendly lifestyles look set to give sales a boost. Moreover, as people prioritise mental and physical health, lifestyle changes should drive more people to get back on their bikes, especially with the mindful and wellness-centric Gen Z entering the workforce and gaining significant spending power. E-bikes are also swiftly gaining popularity among individuals and look set for strong future growth. (IBISWorld, *Bicycle Retailing in the UK*, September 2023).
- ◆ Industry Over the five years through 2029-30, revenue is forecast to expand at a compound annual rate of 4.5% to reach £16.1 billion. Using new AI technologies and check-out store automation is estimated to elevate footfall beyond pre-pandemic levels in the short term by strengthening the personalised in-store consumer feel. Complimenting these new technologies with a modern online experience is expected to expand industry revenue as retailers look to create a 'one-stop-shop' for consumers. Meanwhile, government schemes to tackle childhood obesity and investments of £200 million to enhance cycling tracks are all estimated to accelerate sports participation rates, growing the industry's consumer base. (IBISWorld, *Sporting and Outdoor Equipment Retailers*, May 2024).
- ◆ The global bicycle market was valued at \$63,312.21 million in 2022 and is estimated to grow to \$86,005.92 million in 2027. This will create an incremental growth opportunity worth \$22,693.71 million between 2022 and 2027, which translates to around 36% of the market size in 2022. In this moderate growth environment, vendors must be both aggressive and defensive while leveraging the growth opportunities available. (Technavio, *Global Bicycle Market 2023-2027*).

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 Cyclists' 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 (November 2023).** The proportion of 'Regular cyclists' (those who ride a bicycle at least once a week) fell from 21% in December 2021 to 18% as of July 2023. This indicates that the positive impact that COVID-19 has had on boosting cycling activity is progressively wearing off now that normal daily life has resumed. Indeed, the number who say they ride most days (four days or more each week) has already fallen back in line with pre-pandemic trends.
- ◆ **Mintel – Sports Participation UK (October 2023).** British Cycling is the governing body for cycling in the UK. It has 145,000 members and 2,000 affiliated clubs. 100 of these clubs were funded to run children's activities as part of a 'Summer of Cycling' campaign pegged to Glasgow and Scotland's hosting of the UCI Cycling World Championships. Getting children cycling through access to facilities, coaching and entry-level racing gives them an opportunity to have fun with friends and enjoy the independence of riding a bike.
- ◆ **IBISWorld – Bicycle Retailing in the UK (September 2023).** Demand for performance bicycles surged following Team GB's remarkable triumphs in the Olympics cycling events and the Tour de France over the past decade. The elimination of the £1,000 cap on the cycle-to-work scheme in June 2019 has promoted sales in this segment. However, the share of revenue brought in by performance bikes has dipped because of significant growth in other areas.

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

- ◆ **We Are Cycling UK** have published UK wide [cycling statistics](#) that also provide information specific to Scotland.
- ◆ The **Sustrans [Walking and Cycling Index](#)** is an assessment of walking, wheeling and cycling in urban areas across the UK and Ireland. It includes data from cities across Scotland.
- ◆ **Cycling Weekly** is an online [industry news publication](#) providing news and reviews ranging from global races, products to cycling safety.

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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 websites, 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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