

Market value reached highest level in history thanks to the electric bicycle:

E-Bikes Now Biggest Category in the Netherlands

AMSTERDAM, the Netherlands – Increasing consumer spending, sunny weather during the summer of 2018 and an ongoing interest in e-mobility products led to an unprecedented market expansion in the Netherlands. The e-bike's market share jumped from 31% to 40% while the total market volume increased by 5.7% in units. In value, the Dutch market reached historical high levels.

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For the first time in four years, the market volume passed the threshold of 1 million units. A total of 1,01 million units were sold in 2018. Even more important was the 25% increase in market value from €976 million in 2017 to €1,220 million in 2018. This highest turnover ever is the result of the e-bike's popularity. In 2018 this category generated two-thirds or €823 million of the total turnover in the market. Experts who claimed three years ago that e-bike sales had reached saturation levels in the Netherlands proved to be wrong. While the e-bike's market share hovered around 30% in the past years, sales jumped to 40% in 2018. The total e-bike market is now 409,400 units, an increase of 38%. The e-bike is now the biggest category in the Netherlands, next to the traditional city bikes. "The e-bike will become the new standard", said Wouter Jager, Global Retail director at Accell Group and chairman of the section bicycles of the Dutch industry association RAI who published these figures last week Friday.

Wouter Jager pointed out that the city bikes market share also declined thanks to the growing market of bike sharing systems and swap bikes. "Looking at last year's market statistics we expect that e-bike sales will continue to grow in the Netherlands. Not only older people cycle more often and at higher ages, also the number of kids going to school as well as commuters are increasing. Traffic congestion and air pollution caused

by cars are top of mind in the Netherlands so more and more people choose an environmentally friendly means of transport. For a lot of people the e-bike is the sustainable choice. We do expect that nearly all bicycles in the Netherlands will be electrified, except for certain categories, like kids and sports bikes." Due to the popularity of the e-bike, the average purchase price of a new bicycle increased to €1,207 in 2018, that is 18% more than the year before. In 2011 the average retail price was only €734. Though the IBD is still the dominant distribution channel with 76% of all bicycles and e-bikes sold in the Netherlands, the importance of webshops is increasing. Less positive news was reported by the RAI association regarding the speed pedelec sales. In 2018 sales dropped drastically by 40% from 4,561 units in 2017 to 2,735 speed pedelecs last year. Wouter Jager pointed out that this was mainly the result of infrastructural issue regarding this category. In the Netherlands speed pedelecs are not allowed to use the cycling infrastructure and they have to share to road with cars. "This limits the sale of speed pedelecs as people don't feel comfortable sharing the road with cars which drive at a much higher speed. The potential of speed pedelecs is huge as 61% of Dutch people live less than 15 kilometres from where they work. For a lot of these people, the speed pedelec is a reasonable alternative to their current mobility", said Jager.

Investment in infrastructure

The RAI association sees the sales increase as an important boost to a more sustainable mobility system and healthier society. Earlier research showed that people who own a new bicycle usually spend about 10% to commute and 27% more kilometres for recreation by bike. With the simplification of the tax rules for bicycle commuter as of 1 January 2020, RAI association expects bicycle sales to increase by around 150,000 units annually. However a precondition is that towns and cities are easily accessible by bicycle. The RAI association sees an important role for local and regional governments to increase spending in cycling infrastructure.

Not All Brands Successful on Dutch E-Bike Market

Not all brands could benefit from the rapidly increasing e-bike sales in 2018 in the Netherlands. According to Dynamo Retail Group GM Maarten de Vos, "The market for the well-known A-brands is under pressure. In GfK's consumer research panel, which shows the total bicycle market, we see a market development that worries us". The dealer cooperative operates shop formats like Bike Totaal, Dynamo Retail Service, Fietswereld and Profile de Fietsspecialist in Holland, Belgium and Germany, has some 800 affiliated dealers/members. "Dynamo Retail Group have experienced 21.3% growth in bicycle turnover, where the GfK shows 11.6%. We have also generated a 38.2% growth with e-bikes,

while the GfK shows 18.8% growth. With our formats Bike Totaal and Profile de fietsspecialist we have increased our market share substantially. However these GfK statistics also indicate that the market for electric bicycles in the non IBD channel, which includes online and direct selling brands like Amslod and Stella, is growing twice as fast. The market for those providers has doubled in the past year", said De Vos. "Up to now, we have always thought that these brands would not grow their sales so quickly as the service e-bikes require would limit their growth. However in 2018 year they have managed to increase their market share substantially to 28% in units".



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Photo: Bike Europe

Bicycle Categories in the Netherlands

	2014	2015	2016	2017	2018	+/-
City bikes	41%	42%	43%	42%	34%	-8%
Hybrid bikes	7%	5%	6%	5%	4%	-1%
Kids bikes	12%	14%	12%	12%	11%	-1%
E-bikes	21%	28%	29%	31%	40%	9%
Others	9%	11%	10%	10%	11%	1%

Source: RAI Vereniging

Netherlands Bicycle Market 2013 - 2018

	2013	2014	2015	2016	2017	2018	+/-
Sales in units (x 1,000)	1,008	1,051	983	928	957	1,011	+ 6%
Market value (x € 1,000)	797,264	886,605	899,020	936,829	976,034	1,220,291	+ 25%

In price categories

	2013	2014	2015	2016	2017	2018
till 300	18%	14%	12%	11%	11%	12%
301 t/m 499	15%	17%	17%	16%	19%	14%
500 t/m 699	21%	22%	21%	22%	21%	19%
700 t/m 899	18%	20%	16%	15%	13%	13%
More than 900 euro	30%	27%	33%	35%	36%	42%

	2013	2014	2015	2016	2017	2018
Average retail price in euro	791	844	914	1,010	1,020	1,207
Average retail price at IBDs in euro	989	974	1,058	1,091	1,086	1,222

Source: RAI Vereniging

Speed Pedelec Sales in the Netherlands*

	2014	2015	2016	2017	2018
Stromer	211	472	715	1,864	973
Riese und Mueller	739	903	824	792	533
Gazelle	22	128	519	469	205
Dutch ID		12	42	130	251
Accel Nederland		79	126	124	123
Flyer					125
Kleever					112
Specialized					139
Others	307	478	523	565	274
Total	2,373	3,490	3,468	4,506	2,735

* in units
Source: RAI Vereniging