



BICYCLE
ASSOCIATION

MARKET DATA
SERVICE

Powered by Sporting Insights

ANNUAL MARKET DATA REPORT 2022

RIDING OUT THE STORM



FEBRUARY 2023



Contents

Introduction	3
Executive Summary	5
01. Market Analysis 2022	9
Overall market overview	9
Mechanical bikes and E-bikes	11
PAC	14
Services	19
Other Micro-mobility	20
Market segments: Generalists and Specialists	21
Pricing Trends	24
Sales Channels and Regions	28
02. Key Market Drivers	33
Bicycle supply	33
Cycling participation	37
Weather	39
Macro-economic/consumer context	40
Bike share rentals	45
Cycle to work sales	46
Second-hand bike market	47
TfQL forecasts	47
03. International Comparisons	48
04. UK Cycling Industry Developments, Trends and Innovation	53
05. Market Size and Forecasts	56
Market size 2018-2022	56
Forecasts 2023-2025	58
E-cargo bikes	60
E-scooters	60
Kids' bikes	61



Introduction

► BA market reports

This report follows previous Bicycle Association reports on the UK cycling market published in 2020, 2021 and 2022. It is part of a new cycle of half-year and full-year reports. The next half-year report covering H1 2023 is scheduled to be published in August 2023.

This report is prepared by the Bicycle Association's Head of Insights John Worthington, in conjunction with the wider BA Team and with input from industry. John has five years' experience of reporting on the cycling market, and over 15 years' experience as an analyst across wider consumer travel, tourism and other leisure markets.

For further information and feedback please contact john@bicycleassociation.org.uk

► Industry Acknowledgements

Particular thanks are due to: Ian Beasant, UK Managing Director at Giant Bicycles; Chris Carter, Managing Director at Merida Bicycles; Huw Crwys-Williams, Chief Executive Officer at WiggleCRC; Kathryn Evans, Cycle to Work Alliance; Damian Hackett, Country Manager UK & Ireland at Orbea; Nikki Hawyes, Country Leader UK at Cycling Sports Group; Rob Haycock, Chief Executive Officer at ZyroFisher; Paul Kenchington, Director at The Bicycle Chain; Lee Kidger, Managing Director at Raleigh UK; Jerry Lawson, Chief Frog at Frog Bikes; Catherine Lyons, Commercial Director at Planet X; Alan Nestor, Managing Director at Edinburgh Bicycle Cooperative; Dave Taylor, Marketing Manager at Schwalbe UK; Adrian Warren, Cycle to Work Alliance.

► Report Coverage

Section One of this report contains an analysis of the UK cycling market in January-December 2022, including the overall market picture, detailed discussion of sub-categories, including bikes, e-bikes, PAC and other micro-mobility, including e-scooters, segment performance by Generalist and Specialist retailers, price trends, sales channels and region.

Section Two analyses key drivers currently shaping the market, including bicycle supply trends, cycling activity levels, weather, macroeconomic factors, bike share schemes and Cycle2work sales.

Section Three includes international comparisons between the UK, other European markets and the US market in mechanical and e-bike sales, covering the latest available year of comparison 2021, and longer-term trends.

Section Four offers a summary of some of the key company developments and trends affecting the UK industry over the past year.

Section Five provides the BA's latest estimated data on total market volume and value which the BA now has available going back to 2018, plus the BA's current market forecasts for 2023 to 2025.



► Data sources

Market Data Service

The Bicycle Association's Market Data Service currently covers an estimated 70% of total UK cycling market sales by turnover, including data going back to 2018, and is updated each month. For details on how to access the full range of data and subscribe to the service please see <https://www.bicycleassociation.org.uk/market-data/>

It should be noted that the BA onboards new retailers to the service throughout the year and that, each time, their full data back to 2018 is loaded (assuming they were trading then), to ensure like-for-like comparisons.

Other sources

Other data sources used in this report include the Confederation of the European Bicycle Industry, the Department for Trade and Industry, HMRC, the Met Office, the Office for National Statistics, the Bank of England, GfK, CoMoUK and the Cycle to Work Alliance.

► Note: Generalist and Specialist retailers

References are made in this report to the retailer categories Generalists and Specialists.

Generalist retailers sell cycling products and services alongside other types of products. Examples include Amazon, Argos, Decathlon, Go Outdoors and Halfords.

Specialist retailers only or mainly sell cycling products and services. Examples include Wiggle/CRC, Sigma Sports, Ribble, Islabikes, all independent bike shops and bike brand suppliers selling direct

(eg Trek, Specialized, Giant, Raleigh etc).

► Abbreviations used in this report

ASP	Average Selling Price	GDP	Gross Domestic Product
B2B	Business-to-business	HMRC	Her Majesty's Revenue and Customs
BA	Bicycle Association	MDS	Market Data Service
BoE	Bank of England	MTB	Mountain bike
CET	Central England Temperature	OBR	Office for Budget Responsibility
CONEBI	Confederation of the European Bicycle Industry	ONS	Office for National Statistics
CPI	Consumer Price Index	PAC	Parts, accessories & clothing
D2C	Direct-to-consumer	PFB	PeopleForBikes
DfT	Department for Transport	RHDI	Real household disposable income
EPG	Energy price guarantee	TfL	Transport for London
EU	European Union	TfQL	Transport for Quality of Life
FPMM	Fédération des Professionnels de la Micro-Mobilité	WBIA	World Bicycle Industry Association

NB. This report is copyright of The Bicycle Association of Great Britain 2023. Not for sharing in the public domain without permission.



Executive Summary

Bike sales may have reached their lowest level in two decades

The current downturn in the UK cycling market, which began in May 2021, intensified throughout 2022 as the COVID 'boom' ended and was compounded by a deepening cost-of-living crisis. Total UK mechanical bike volumes fell 22% to an estimated 1.88 million units in 2022. This was 27% below pre-COVID levels in 2019. Import data also suggests that this could be the lowest level of mechanical bike sales seen for around two decades. The pandemic sales 'blip' appears to have been an interruption in a much longer-term picture of decline.

MTBs and hybrid volumes fell more than a third versus 2021

Almost all bike types saw substantial year-on-year declines. The two dominant adult sub-categories mountain bikes and hybrids saw volumes fall -36% and -34% versus 2021, respectively. Kids' bike volumes fell 16% versus 2021, reaching an estimated UK total of 700,000 units. This was 28% below 2019 levels.

Gravel bikes have been a rare stand-out performer

Gravel/'adventure' bikes were a stand-out performer. Volumes were up 8% in 2022 versus 2021 and have risen by 59% since 2019. This segment remains small in volume terms but is a rare 'good news' story in a tough market.

E-bikes have been more stable but overall volumes have plateaued since 2020

E-bikes performed better than the rest of the market in 2022 but still saw a 4% reduction of volumes compared with 2021. E-bike volumes are up 74% on 2019 levels, although overall sales have plateaued since 2020.

E-bike market share has grown...

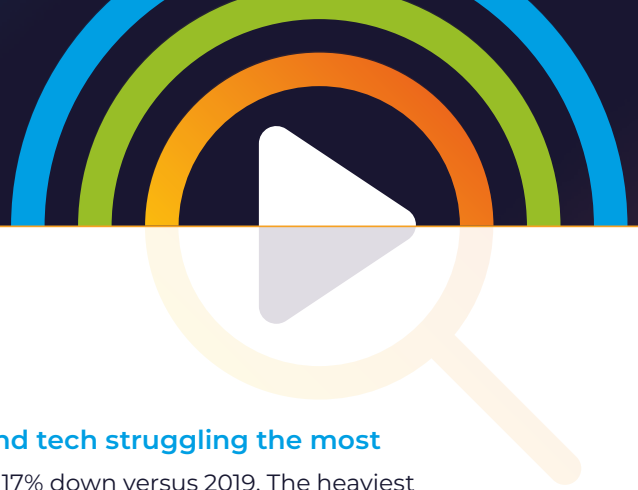
The e-bike share of all bicycle volume sales (mechanical plus electric combined) has risen gradually over the past five years from 3% in 2018 to an estimated 8% in 2022. The e-bike share of overall bicycle value has risen more strongly, from 12% to an estimated 32% over the same period.

...But the UK significantly lags behind Europe

However, analysis of European industry data shows that the UK is under-competing for a share of the expanding European e-bike market. E-bikes accounted for 23% of overall European bicycle sales by volume in 2021. Rapid e-bike growth rates are more than compensating for a long-term decline in mechanical bike sales across the continent but are yet to do so in the UK.

E-cargo is an emerging growth category

Electric cargo bikes are an emerging category. The Bicycle Association is building market intelligence in this sector. Provisional estimates suggest the latest annual market size in terms of volume could be in the region of 8,000-10,000 units, with at least 50% of that total likely to be sold in the B2B sector. The total market value is estimated to be around £40-£50 million. Some leading retailers are reporting around 40% annual volume growth.



PACs are also heavily down with leisure gear and tech struggling the most

PAC volume sales fell 18% in 2022 versus 2021 and were 17% down versus 2019. The heaviest decline has been in cycling technology (notably turbo-trainers), where volumes in 2022 were 37% below pre-COVID levels. Leisure-related clothing and accessories are struggling. However, some retailers report an uptick in demand for commuter-related sales during the second half of 2022.

Service & repair on an upward trend in H2 2022 as cyclists make do and mend

Service volumes fell 15% in 2022 versus 2021 as a whole. However a first half slump was followed by growing recovery of demand in the second half of 2022, which saw a 10% rise in service & repair volumes versus 2021. The upward trend in recent months suggests that many cyclists are choosing 'make do and mend' over new bike purchases as the effects of the cost-of-living crisis take hold.

E-scooter growth has stalled pending legal status

Other micro-mobility volumes fell 17% overall in 2022 versus 2021. Adult electric scooter volumes dropped 39% versus 2021. Despite a downward trend from the sales spike seen in 2020, e-scooter volumes remained 121% ahead of 2019 levels. Any further momentum in the market is likely to depend on the timetable for the full legalisation of e-scooters on public roads. It is currently thought that legalisation could take place in 2024 at the earliest.

Stock shortages have eased, though still an issue at the performance end of the market

The chronic supply problems that affected the industry in 2021 have substantially improved – though not entirely. There are still reports of shortages and delays in areas where consumer demand has remained more resilient – for example carbon road bikes, gravel bikes and electric mountain bikes.

Overstocking is the major supply challenge and could take 12-18 months to clear

The industry now faces the bigger challenge of over-stocking, particularly in the lower-to-mid price tier mechanical bike categories, alongside a surplus of other products such as clothing and helmets. This is the result of increased orders made during the pandemic boom period, which have arrived as consumer demand has slumped. Analysis of import data suggests there could be around a million unsold bikes which have been imported into the UK market during 2021-22. Expectations across the industry are that the 'COVID surplus' could take 12-18 months to clear. As of Q1 2023 there is evidence of heavier levels of discounting than normal, well before the normal 'sales season' has got underway.

Record bike prices are deterring cash-strapped consumers

Mechanical bike average selling prices have increased by 47% overall between 2019 and 2022 (though the increases vary widely from product to product), driven by a mix of supply and demand factors and rising costs (eg shipping). With the average consumer now facing a decline in living standards, record bike prices are dampening demand, delaying recovery in the cycling market.

Prices may have peaked but ASP remains high despite discounting trend

As retailers seek to shift surplus stock, 2022 has seen a growing amount of price discounting across the industry. Despite this, average bike selling prices still increased by a further 5% versus 2021. The final quarter of 2022, however, did see the first slight dip, which may be the start of a downward trend. E-bike average selling prices have risen 31% since 2019. However, e-bike prices now appear to have peaked and have fallen 3% in 2022.



Shipping costs have now eased. However, a weak Pound has created further inflationary pressures, along with other rising costs such as wages and energy. Average selling prices also remain high partly because of changes in the overall sales mix. Demand has dropped heavily in the lower-to-mid priced mechanical bike tiers, while remaining (relatively) more resilient in the higher-priced tiers.

Total cycling market value fell 18% in 2022 but remained 13% above pre-COVID levels

The total value of the UK cycling market fell 18% in 2022, reaching an estimated £1.9 billion. Despite the sharp fall in volume sales, market value remained 13% above 2019 levels, due to the rise in average prices and the growing share of the e-bike sector.

DfT data shows cycling activity levels up in 2022...

The DfT's weekly transport tracker shows that average monthly cycling levels dropped well below the COVID peak throughout 2021, but consistently rose during most of 2022 on both weekdays and weekends. Leisure cycling levels appear to be relatively buoyant, alongside a post-COVID uplift in commuting, boosted by the UK's hottest year since records began in 1884.

...Which should feed into a new wave of sales activity at some point

There is an obvious 'disconnect' between these levels of cycling activity and the subdued sales data in 2022. This may be explained by many cyclists having already bought new bikes and other products during the pandemic boom, with the added dampening effect of the cost-of-living crisis. At some point these relatively strong levels of activity should begin to translate into a new wave of sales.

Kids' cycling has fallen to the lowest level in 5 years

The latest data on kids' cycling looks less positive. The Sport England Active Lives Children and Young People Survey, for the school year 2021-22, shows cycling participation among those aged 5-16 dropping to 22% of the population, the lowest annual level seen over the past five years. During the early COVID period in summer 2020, kids' cycling participation briefly reached 50%.

Cycle to work sales are growing their share in a declining market

As customers look for ways to make cost savings, cycle to work sales appear to be capturing a significantly growing slice of a declining adult bicycle market. Data provided by the Cycle to Work Alliance shows that 2022 volumes have remained well ahead of pre-pandemic levels. The second half of 2022 saw a 14% uplift in the number of bikes sold through the scheme, compared to the second half of 2021 – a reversal of the overall market picture.

E-bike rentals are driving an uplift in bike share schemes

Bike share schemes are also thriving. CoMoUK's annual UK Bike Share report shows record numbers of locations, fleet size and average daily hire. As of September 2022, the number of available bikes increased by 30% versus 2021, while the average number of daily rides also rose 30%. A rise in e-bike rentals appears to be a key driver. The TfL/Santander cycle hire scheme also reached record levels in 2022, while Brompton Bike Hire also reported a surge in usage.

Rising demand for bike rental is part of a wider trend towards consumers seeking alternatives to traditional purchase options. This is helping to drive innovation in new business models such as subscription services.



2023 is expected to be another challenging year...

The BA does not forecast any major shift in sales volumes during 2023, as the market continues to deal with the aftershocks of the past three years, alongside a very challenging macroeconomic and consumer climate. Mechanical bike volumes are forecast to fall by a further 5% versus 2022, while e-bike volumes are forecast to rise only slightly by 3%.

PAC (-8%) and other micro-mobility (-2%) are also forecast to see further volume decline in 2023. Services, however, are expected to continue their stronger performance during the second half of 2022 and are forecast to grow by 10% in volume during 2023.

...With stronger recovery expected to begin in 2024-25

The BA cautiously expects an overall recovery to begin sometime during 2024, assuming economic conditions are improving, with volume growth likely to gain pace in 2025. Combined bicycle volumes (mechanical and e-bike) are forecast to reach around 2.5 million units by the end of the forecast period, which would be around pre-COVID levels (with e-bikes gradually accounting for a growing share and mechanical bikes a diminishing share of the total bicycle market).

Cycling has a major role to play in the UK's economic growth and net-zero strategy

Despite the currently challenging trading environment, the BA believes cycling has a key strategic role to play as a generator of economic growth, and in the UK transition to carbon net zero. The establishment of Active Travel England, and continued cycling investment in Scotland and Wales, shows continued support from government following the major step change announced in 2020.

The BA has commissioned research into the full contribution made by cycling to the UK economy. The analysis, conducted by the consultancy Transport for Quality of Life (TfQL), estimates that, based on pre-COVID levels of cycling in the UK in 2019, cycling provided an estimated £7.5 billion in economic value and supported around 64,000-68,000 jobs.

The BA/TfQL research estimates the minimum levels of cycling needed for the UK to meet its legally binding net zero targets by 2030, based on an assumed shift in car mileage for trips that are of cyclable length.

If achieved, it is estimated that this increase in cycling would bring a green economic dividend of between £73 billion and £146 billion* and create between 81,000 and 130,000 additional 'green jobs'* by 2030 (*TfQL's lower and upper bound estimates). This economic argument adds further justification to the case for government investment in cycling, alongside the wider environmental and public health benefits.