

Will electric bikes roll in America? Big Indian bike maker hopes so

Debra Kahn, E&E reporter

Published: Tuesday, May 7, 2013

SAN FRANCISCO -- Zooming effortlessly down a city street at 28 mph is an unreachable goal for most bicyclists who aren't Lance Armstrong -- unless they're also getting some outside help.

AA RESIZE TEXT EMAIL PRINT

Electric bicycles have a stodgy image in much of the world, but advocates of the low-carbon vehicle are trying to change that. The United States is a virtually untapped market, and the bicycle -- outfitted with an electric motor that can either accompany pedaling or work solo -- could make significant inroads.

"E-bikes are replacing traditional bikes and motorcycles at a rapid pace, and in some countries, they are even replacing cars," said Naveen Munjal, managing director of Hero Eco Group, a subsidiary of Indian bicycle and motorcycle manufacturer Hero Group.

In San Francisco, car-sharing service City Car Share is working on a proposal to offer about 90 bikes for hourly rentals alongside its 400 cars. It hopes to receive a \$769,000 grant from the Federal Highway Administration later this year that would help fund three years of bike-sharing, in conjunction with a San Francisco Municipal Transportation Agency plan to promote bike use.

"We're hoping over time we'll move people from cars into electric bikes," said Rick Hutchinson, City Car Share's CEO. "If we can move in the first year even 10 percent of trips to bikes from cars, it'll have a material impact, we hope, on CO2 emissions."



You can go at least 20 mph with no pedaling. Will Americans buy that? Photo courtesy of A2B.

One of the e-bike companies Hutchinson has talked to is A2B, a European brand that Hero bought last year with the intention of reintroducing it in the United States and other countries. A2B opened a showroom in San Francisco last week with five models of plug-in e-bikes, each with a range of at least 20 miles and a top speed of at least 20 mph, with the exception of the folding model, which tops out at 15.5 mph.

A2B has been selling about 2,000 e-bikes per year in the United States since its entry into the market in 2009, mostly to baby boomers and older people looking to replace conventional bicycles. Its new sales target is 4,000 units per year, according to Hero Eco General Manager Fernando Kufer, who sees opportunity in flagging motorcycle sales.

"I think the passion with motorcycles is dying," he said. "Being cool is not going 80 miles on a highway, burning gas. Being cool is taking Zipcar."

As well, e-bikes don't require special licenses or registrations, and they aren't required to carry insurance. "It's all the freedom of a bicycle," said Kyle Langdon, Hero Eco's business operations manager.

Building a new niche

It remains to be seen who will buy the bikes. The market in the United States is growing about 9 percent annually, according to Dave Hurst, a principal research analyst for Navigant Consulting. He said he expects about 57,000 sales this year and 105,000 in 2020. But he doesn't expect most of the growth to be replacing other motorized vehicles.

"It kind of holds a unique position in the market where it's not necessarily replacing another vehicle," he said. "It's either baby boomers that are kind of looking to get back into fitness, or perhaps partners of bicyclists and they can't keep up. With the commuter group, you could argue it's probably replacing a traditional bicycle rather than a motorcycle."

The U.S. market is dwarfed by China's, where Hurst expects sales to reach 28 million units this year. The Chinese-made bikes are far cheaper -- the average price is the equivalent of \$187, Hurst said, compared to \$1,400 in the United States.

A2B is going high-class, with sleek showrooms and matte-finished, black and white bikes. Its parent company, Hero Group, makes about 5 million two-wheeled vehicles per year, 80 percent of them for export and sale by other brands. Hero's electric scooters for the Indian market sell for the equivalent of \$600 to \$800, compared to \$1,400 to \$3,400 for A2B bikes.

Kufer said that A2B was going for an upscale audience. Customers are "buying into the lifestyle and looks of the brand," he said.

Hutchinson said he plans to share his data on the pilot program with the University of California, Berkeley's Transportation Sustainability Research Center, which will do a longitudinal study to see how people respond to e-bike rentals. He is particularly interested in seeing if low-income communities adopt the technology.

He said the bikes will likely be priced between 50 to 75 percent lower than hourly car rates. "We're very interested in the issue of equity," he said. "Can we get certain constituencies that are underserved?"

<http://www.eenews.net/climatewire/2013/05/07/archive/5?terms=debra+kahn>