

The logo for Austin Bcycle is displayed in the top right corner. It features the word "AUSTIN" in a bold, white, sans-serif font, followed by a blue circle containing a white letter "B", and then the word "cycle" in a white, cursive script font. The entire logo is set against a dark blue rectangular background.

AUSTIN **B**cycle™

The background of the slide is a photograph of a red Austin Bcycle bicycle with a silver basket on the handlebars, standing on a white surfboard. The surfboard is floating on a body of water, likely a river or lake. In the background, a city skyline with several tall buildings is visible under a hazy, sunset-like sky. Other people can be seen in the distance, also using bikes on surfboards.

NACTO Designing Cities: Where Next for Bike Share?  
**Challenge of growing a disruptive technology market**

# Austin's traffic woes

- Ranked 4<sup>th</sup> worst for traffic in the US
- Adding more traffic lanes will increase congestion, not reduce
- 40% of Central Texas residents work in urban core where bike and transit infrastructure is good
- 69% of U.S. car trips are 2 miles or less
- BUT... vast majority are still choosing personal car





# A simple solution



- Bicycle is speed competitive at 2-3 miles
- Safe space created with little cost or reduction of other capacity
- Added personal health and environmental benefits



# Why doesn't Austin look like this?



AUSTIN  *cycle*



- **Bike share has the potential to be a game changer**

- Zero to over 50 U.S. cities with bike share systems in 5 years
- Closing in on 50 million trips
- Bringing new people to cycling: 31% of Austin B-cycle riders are new
- Driving infrastructure changes

- **BUT...**

- Most programs are still small
- Impact on transportation is small, less than 1% of trips
- Cost per trip is still high (\$4/trip)
- Have limited ability to scale



Can bike share go from this...



... to this?





# One city is making the leap



- Set US record for most checkouts per bike in single day: 20 rides per bike!
- Ongoing ridership: September averaged 13 rides per bike/day



## How did they do it?

- Integrating student IDs with RFID reader
- Students enroll with 1 opt-in click through BCycle website
- ID activated within 60 seconds
- 8,000 out of 14,000 students participating



NDSU Student Government is excited to offer bike share to all enrolled students! Great Rides Bike Share is a system of 101 bikes at 11 stations on-campus and downtown.

[Enroll in Bike Share](#)



## Bike Share Limiters to Growth

- Startup capital is still limited
- Tactical partnerships are few
- We are treating bike share as transportation like an established market

**Outside of the tourist use-case,  
this is disruptive technology!**



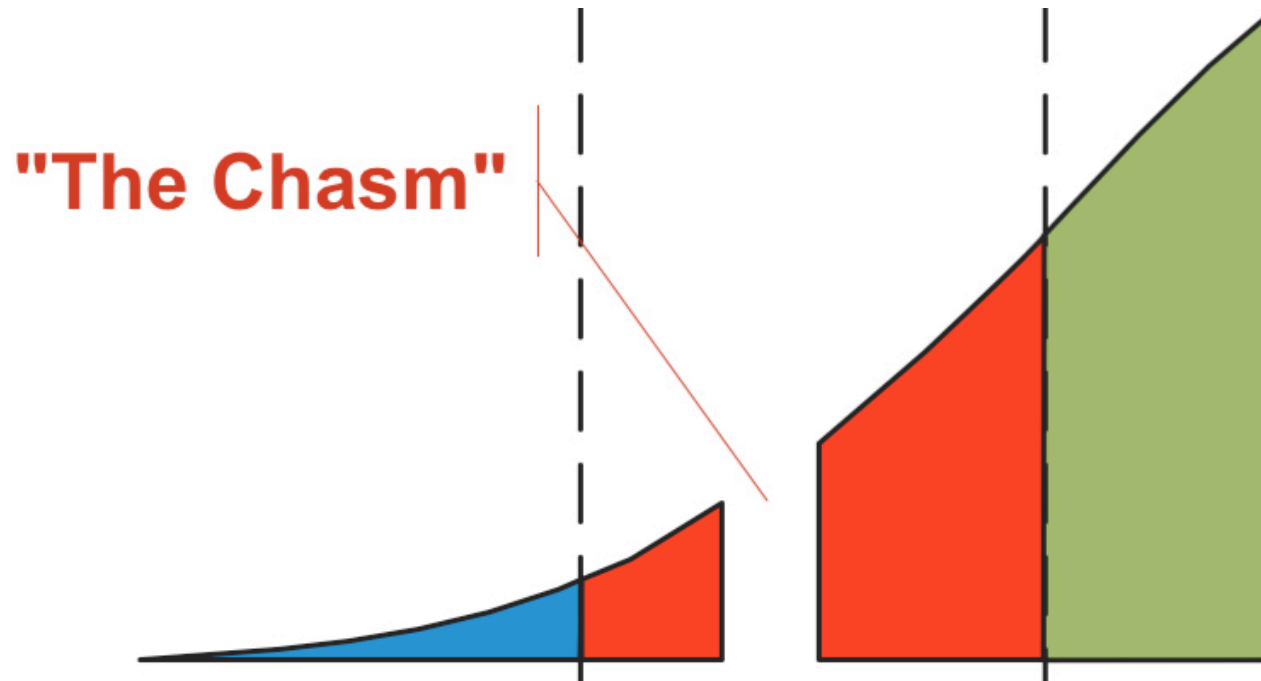
# If we treat bike share as a disruptive technology, how can we prime for growth?

- Learn from venture capital  
*Money + time to build markets*
- Partner with established market players and likeminded institutional buyers where ever we can
- Learn the different wants and needs of disruptive market customers and adapt to each





# Market Segmentation based on *Crossing the Chasm* by Geoffrey Moore



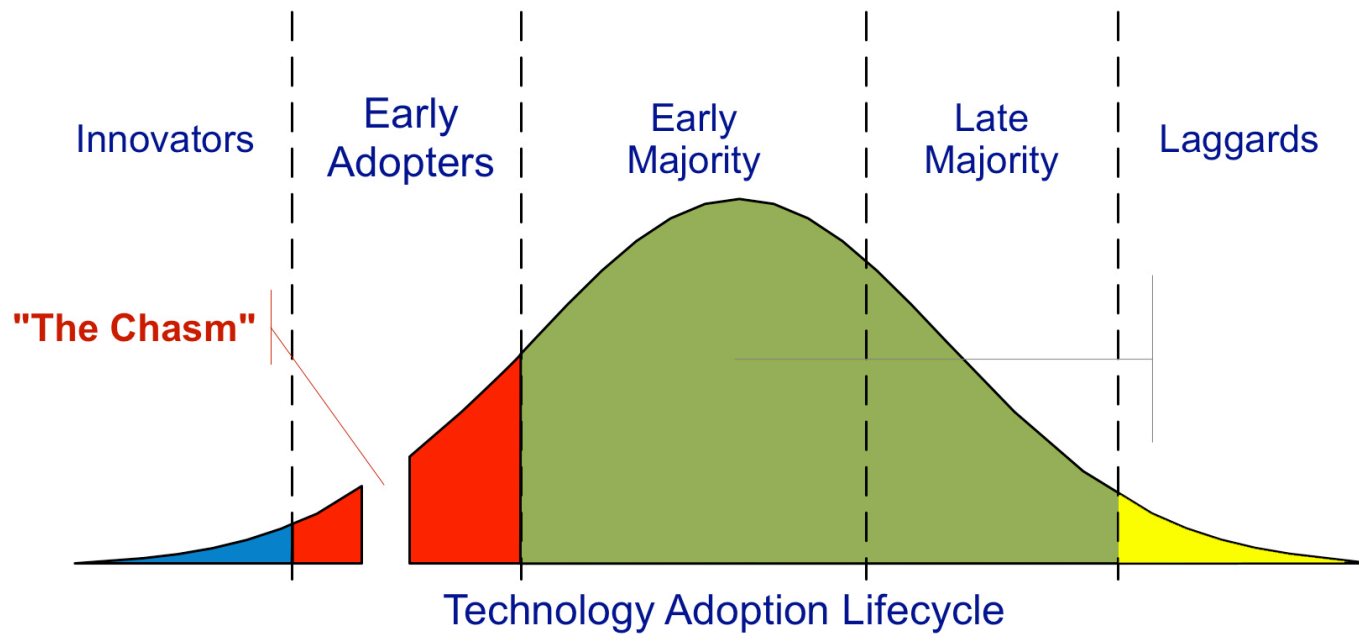
# About the Model

- Focused on disruptive technology
- Defines different customer types who have different product expectations
- Deals with transitioning from early adopters to majority market

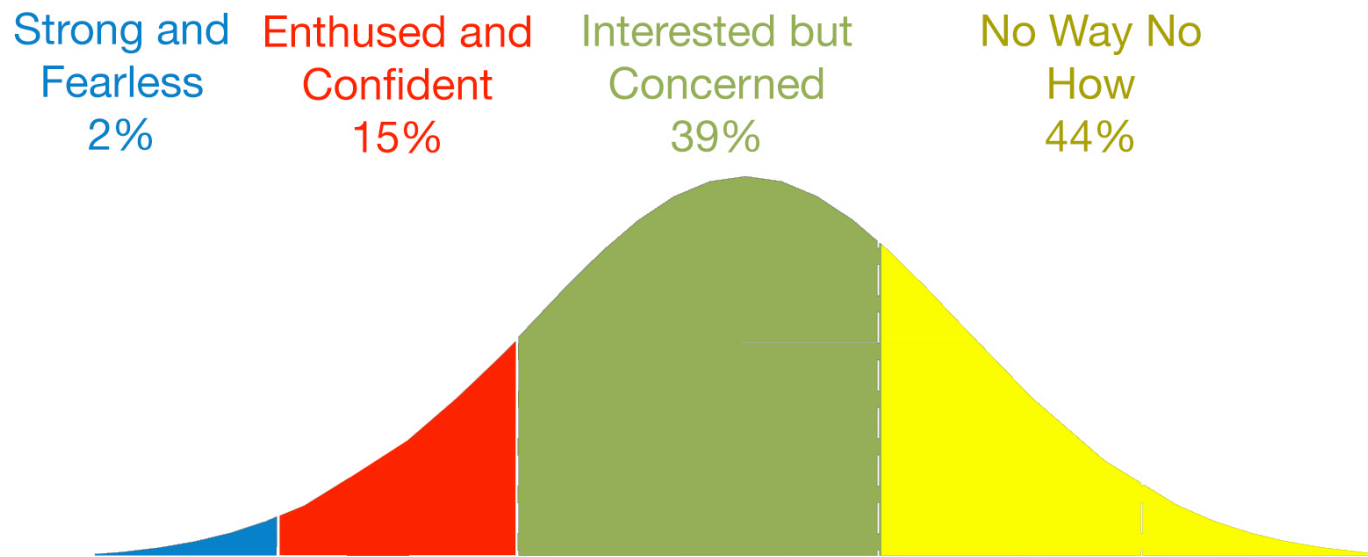
"The Chasm"



# Crossing the Chasm



# Public acceptance of cycling based on current environment



Four Types of Transportation Cyclists- Austin

# Key points to cross the chasm

**Do a market segment analysis to find your beach head customer:**

- you service answers a current problem
- they have the ability to buy
- where there is not established competition
- will help you lead to another segment  
*(ideally an institutional customer)*



# Key points to cross the chasm

## Don't try to cross alone

- Make sure you have tactical partners
- They should have overlapping interests
- Your service must have a direct or indirect economic incentive for your partners

# Key points to cross the chasm

## **Sell a whole product, not a generic product**

- Bike share membership is a generic product
- All the other support and partner services make your whole product  
*(transit, bikeable/walkable neighborhoods, etc)*



# Key points to cross the chasm

## Don't forget good positioning

- If you can't make a compelling case for your service to target customer in 30 seconds or less...

***GO NO FURTHER UNTIL YOU CAN!***

- Your positioning statement should include
  - your target customer
  - what their current problem is
  - what current solution is
  - how you will solve the problem
  - What other disrupter is working in your market or analogous market as a reference point

# Example positioning statement

*For downtown residents who are unhappy with the hassle driving for short trips downtown, Austin B-cycle is a short trip solution that provides a fast, convenient way to get around downtown. We are like car2go but for short trips where you don't have to deal with traffic or parking and don't have to pay by-the-trip. We have created a network of stations downtown near every residence and major destination.*





# Avenues for tactical partnerships

## PLATFORMS

- App based aggregators: RideScout
- Integrating with transit passes
- Use of multi-frequency RFID to activate student IDs and employee badges
- Other transportation services:
  - Car2Go
  - Parking Authorities
  - Valet services
  - TNCs



# Avenues for tactical partnerships INSTITUTIONAL BUYERS

- By enrolling everyone at an institution:
  - Bring customer per user costs down
  - You get cash influx with an immediately larger rider base
  - Legitimizes service in eyes of new members
  - Ridership should increase, reducing per trip costs
- Examples
  - North Dakota State
  - University of Wisconsin- Milwaukee
- Other buyers
  - Local governments
  - Large private employers





**Harness disruptive technology and  
become a bike share rock star!**



**AUSTIN** **B** *cycle*