

Dockless bike-share hits US capital, following craze in China (Update)

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Dockless bike-sharing, a trend which has taken China by storm, arrived in the US capital Wednesday with the launch of new services aimed at promoting two-wheeled travel without the hassle of a docking station.

China-based giant Mobike and California-based LimeBike each began deploying hundreds of bikes, which have GPS location tracking and are unlocked with a smartphone app, under an agreement with city transportation officials.

The bright-green LimeBikes started appearing in downtown Washington along with the orange-colored Mobikes, both offering 30-minute rides for \$1. A third startup, California-based Spin, is set to begin operating in the capital later this month.

By eliminating the docking stations, the new startups allow riders to locate and unlock a bike with a smartphone, and then drop it virtually anywhere.

The new systems will undercut the docked bike-sharing network by offering rides at half the price of the competition and free users from worrying about whether docking stations are available.

LimeBike, which is now in 10 US cities and has raised \$12 million since its founding in early 2017, aims to be a complement in the transportation system and will deploy 400 bicycles in Washington.

Expanding the market

"It's all about reducing barriers," said LimeBike market launcher Jason Wilde, who was showcasing the new bikes on Farragut Square, a few blocks from the White House.

Even at \$1 per ride—with half-priced rides for students—and without a government subsidy, Wilde said the company is betting the model will be successful by expanding the market.

Until now, the only option for Washingtonians had been Capital Bikeshare, which has 440 stations 3,700 bikes which can be rented starting at \$2 for 30 minutes.

Wilde noted that Washington "is home to one of the most successful existing bike-share programs, but it has not reached as many people as it should."

Washington is the first US city for Mobike, which has distributed some seven million "smart" bicycles in China and elsewhere and is competing with other rivals to disrupt the industry.

"We are thrilled to call Washington DC Mobike's first home in North America," said Hu Weiwei, co-founder and president of Mobike, as the Chinese group began deploying some 200 of its bikes.

"Mobike is committed to developing a global bike share culture by collaborating closely with cities, and the US capital is key in achieving this."

Mobike, which faces fierce competition in China, is eyeing other US cities as well, according to its US general manager Rachel Song.

Outside China, Mobike has launched in Thailand, Malaysia and a handful of British cities including London.

Mobike, which says it is the world's largest bike-sharing operator, recently raised \$600 million to fuel its global expansion.

Its brightly colored orange bikes feature a chainless shaft transmission and airless tires, aiming to be maintenance-free for up to four years.

The dockless system has become a craze in China, with more than 10 million bikes in use. But it has also led to a cluttering of city centers with bikes that are vandalized, broken down or haphazardly parked.

The new startups recognize the challenge of getting customers to handle bikes responsibly by parking them at or near racks without blocking sidewalks or roads, and by reporting malfunctions.

LimeBike's Wilde acknowledged that some rollouts in China have been chaotic but said the problem can be addressed by "incentivizing" the responsible users and eventually penalizing irresponsible ones.

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