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Cycle to Work scheme key for independent bike retailers

The cycle to work scheme is key to the success of independent bike retailers, new research has concluded. A survey undertaken by the Cycle to Work Alliance found that 62% of bike retailers thought that the scheme was either important or very important to their business.

The survey of independent bike retailers who supply bikes to users of the cycle to work scheme demonstrates the contribution that the scheme makes to the UK bike trade. The research highlights the scheme's role in introducing new customers to retailers many of whom become long-term customers who return for servicing and further purchases.

Over 2,200 independent bike retailers across the UK are involved in the delivery of the cycle to work scheme.

The survey revealed that:

- The majority of retailers believe that the scheme plays a critical role in their businesses success:
 - 62% of retailers thought that the scheme was either very important (37%) or important (25%) to their business success.
- Micro-businesses play a critical role in the delivery of the scheme:
 - 42% of retailers that supply bikes to users of the scheme have a turnover of less than £250,000 per year, and 70% have a turnover of less than £500,000 per year.
 - 65% of the bike retailers that supply bikes to users of the scheme employ less than five people.
- The scheme introduces retailers to new customers whose business they wouldn't otherwise have received:
 - Nearly a third (32%) of retailers said that a majority of the cycle to work users (over 50%) who receive their bike through their business are new customers to them.
 - A further quarter (26%) of retailers said that 25-50% of scheme users were new customers for them.
- Retailers receive significant additional business from participants in the scheme after they have collected their bike through the business:
 - Over half of retailers (51%) see more than 30% of scheme users return for servicing.
 - Nearly half of retailers (46%) see more than 20% of scheme users make further purchases from their business.
- The scheme supports retailers in providing accessories and safety equipment to cyclists in addition to bikes with 83% of retailers noting that bike and accessory packages were the most popular arrangement.

Stephen Holt, Commercial Director, Cyclescheme, commenting on behalf of the Cycle to Work Alliance said: *"This shows that independent bike retailers recognise the contribution that the cycle to work scheme makes to their businesses. This survey also highlights that many of the retailers involved in delivering the scheme are small, regionally based businesses with a small workforce. These small businesses are the lifeblood of our local economies."*

"From introducing new customers to these bike shops to guaranteeing repeat trade and ensuring that customers return for servicing, it is clear that the scheme plays a critical role in ensuring the success of these businesses."

Steve Garidis, Operations Director of the Bicycle Association, which represents the bicycle industry, including retailers, commented on the survey results: *"These results demonstrate the impact of the cycle to work scheme on the economic sustainability of the many small independent bike retailers across the UK. Bike*

retailers recognise the contribution that the scheme makes to their business success in addition to its key role in increasing participation in cycling."

-ENDS-

Notes for editors:

- The Cycle to Work Alliance is a group of the leading providers of the cycle to work scheme, including Cyclescheme, Cycle Solutions, Evans Cycles and Halfords.
- The Cycle to Work Alliance seeks to raise awareness of the role played by the cycle to work scheme in encouraging people to take up cycling, and promote its role in meeting the government's public health and sustainable transport policy objectives.
- The cycle to work initiative is a tax-efficient, and on the whole, salary-sacrificed employee benefit that provides a way of encouraging more adults to take up cycling. Introduced in the 1999 Finance Act, the scheme encourages employers to loan bicycles and cycling safety equipment to employees as a tax-exempt benefit for the purpose of cycling to work. Under the scheme, employers buy cycling equipment from suppliers approved by their scheme administrator, and hire it to their employees. At the end of the loan period, the employer may choose to give the employee the option to purchase the equipment.
- Since its introduction, over 600,000 individuals have participated in the scheme. The scheme operates nationwide.
- The data referenced above was attained during February 2016 in a nationwide survey of 124 independent bike retailers who supply bikes to users of the Cycle to Work Scheme.

Contact

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