



Market study report cycling

Where to find opportunities for the Dutch cycling industry in the United States of America?



January, 2022

WAS-IW

Embassy of the Kingdom of the Netherlands in the United States

Introduction

The ongoing COVID-19 pandemic sparked worldwide interest for the bicycle. People abandoned crowded public transport and discovered that cycling is not only healthier, but that it can be safer as

well. With growing sympathy for cycling, there is one country particularly that has a lot to offer. The Netherlands is widely considered the bike capital of the world. The Dutch are known for their innovative, dense and safe cycling systems. Also, the largest producer of bikes is Dutch, as well some of the major construction firms involved in building the infrastructure.

A study conducted in 2020 has shown that the USA is the number one country for cycling business opportunities, which comes as quite the surprise, considering American car dominance.¹ The market attraction varies heavily per region.

As a result, this document dives deeper into the United States and makes a first attempt to answer the question where which opportunities are worthwhile exploring. The aim is to highlight which regional market may be attractive for Dutch firms involved in the bicycle business.

The present analysis focuses on four regions within the United States. The Pacific coast, the Northeast, the DMV-area, and the South. The rationale for this choice is based on the presence of Dutch Consulates-General in those regions. Additionally, the analysis of these regional markets are based on a set of factors. On the one hand, the study uses processed data from expert organizations – i.e. the League of American Bicycles (henceforth: the League), PeopleForBikes (PFB), and the Dutch Cycling Embassy (DCE). The factors are 1) legislation and enforcement; 2) policies and programs; 3) infrastructure and funding; 4) education and encouragement; and 5) evaluation and planning (see a breakdown per category on p. 6). On the other hand, subjective information has been added to the picture. These factors include the capacity, policy priorities and networks of the Dutch diplomatic network in the United States. Existing relations between relevant Dutch firms and the American market as well as market expansion plans of the Dutch industry fall outside the scope of this analysis. These important additional factors demand further study.

The Dutch cycling sector

In order to make recommendations for market expansion of the Dutch cycling sector, it is paramount to establish what this sector is and what it is not. This document uses the definition of the Mobycon study (2020, p.6). The Dutch cycling sector can be described as all private companies, public organizations, and knowledge institutes who develop knowledge, products, services or a combination which benefit cycling or the production of bicycles. The sector can be divided in three subsectors:

1. Knowledge and services

The main value of these firms is to advise other parties active in the cycling sector.

Examples are universities, think tanks or consultancy firms.

Main customers are local or national governmental organizations, interest groups or financial institutions.

2. Products

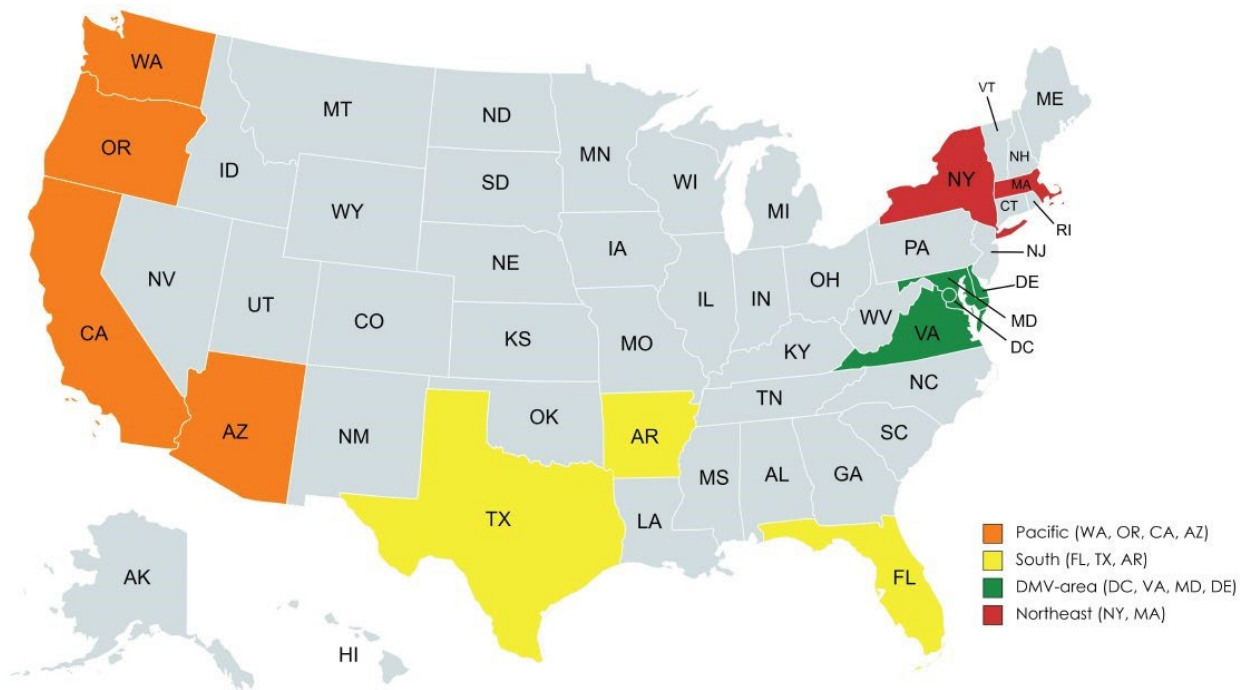
The main value of these firms is to produce bicycles, product parts, or bike accessories.

3. Construction

The main value of these firms is to realize the infrastructure that is required for safe and attractive cycling.

Examples are specialized firms in cycle parking, smart street lightning, or specific concrete. Main customers are dedicated firms tasked with the construction of infrastructure by local governments. These construction firms need to be very innovative to be allowed on a foreign market because of protectionist policies.

¹ Mobycon, 2020. *Landen Potentieonderzoek – Internationalisering Fiets*



The results: the overall top-11

	State	Focus areas
1	Washington State	Seattle
2	Oregon	Portland
3	California	San Francisco Bay Area, LA Metropolitan Area, Sacramento area, Santa Barbara
4	Massachusetts	Boston, Cambridge
5	Delaware	Wilmington, Dover
6	New York	New York City Metropolitan Area
8	Washington, D.C. ²	DMV-area
9	Florida	Miami, Tampa, Orlando, Jacksonville metropolitan areas
10	Texas	Austin, Houston
11	Arizona	Phoenix
	Arkansas	Northwest Arkansas, mainly Bentonville

This top-11 indicates where the Embassy of the Netherlands in Washington, D.C., sees the best opportunities for diplomatic action aimed at connecting American policymakers, interest groups, and firms with the Dutch bicycle industry.

The presented ranking is the result of a combination of researched factors. The list of the League forms the basis of this ranking. In addition, factors are taken into consideration such as information from PeopleForBikes, proximity to diplomatic representation of the Netherlands, previous and/or current projects and activities related to cycling, capacity of diplomatic personnel and Dutch business ties with certain regions.

² Washington, D.C., does not hold the status of a state. For feasibility purposes, it is – however – included in the list. This choice does not in any way reflect the opinion of the Kingdom of the Netherlands vis a vis the question of statehood for the District of Columbia.

The Pacific

Two adjacent, rather sparsely populated states along the Pacific coast occupy the top of the list. The cities of Seattle, Washington and Portland, Oregon leveraged the high position. Both states do well in all five categories. However, the use of state funding for bike projects stands out in both states. These scores present an opportunity. Much of the groundwork is there. Also, both cities are characterized by a relatively young population, flat geography, and high urban density, meaning travel distances are relatively short. Besides these objective criteria, Dutch relations with both cities are well established. The consul-general in San Francisco visited Seattle in 2020. The Dutch consul-general regularly includes cycling tours in his visiting programs and cycling is a key element in the public diplomacy of this CG. Furthermore, in 2014, DCE organized a ThinkBike workshop in Seattle. Finally, Dutch business presence in both cities could enable new Dutch firms to explore and connect with the market in both states.

California presents many opportunities for the Dutch cycling industry. Several factors explain this. First, California is a populous state with many large metropolitan areas and numerous medium-sized cities. 13 urban areas rank far above average in the city list of PeopleForBikes 2021. Second, at the state level, California's sustainability and mobility ambitions result in progressive policies, which benefit the cyclist. It scores high on almost every factor, with proper legislation and enforcement being the category which requires attention. Third, the relations between the Netherlands and California is strong. Diplomatically, the CG in San Francisco maintains good contact with various transport-related agencies throughout the state. The CG is regularly approached by interested parties for Dutch cycling expertise. Also, DCE organized three ThinkBike Workshops in the state, in Davis, Los Angeles, and San Francisco. Finally, the visit of the director-general from the Netherlands in Fall, 2021, emphasized Dutch mobility ambition and expertise and invited Californian partners to collaborate more intensively. With a planned trade mission on mobility in 2022 with a specific focus on active mobility (i.e. cycling), the Dutch mobility sector positions itself strongly in the most populous state. All in all, California is a market with lots of opportunities for the Dutch bicycle industry.

Arizona is a different story. On the general list of the League, Arizona holds place 23. The reasons for this are low scores on infrastructure & funding and on policies & programs. The latter factor comes from the character of Arizona's street landscape. The state is car-dominated and access to complete, safe and pedestrian- and bike-friendly streets is low. An additional external argument for not including Arizona is the state's climate. Arizona has one of the hottest climate in the United States, which makes cycling an exhausting activity. However, there is a number of developments and opportunities which shed a brighter light on this state in the southwest. First, Arizona has the highest score on Legislation and Enforcement. This means the groundwork is already in place. The state currently has laws that protect people who bike and walk and restrict driver's behavior. If funding, policy & programming and public attitude change favorably, Arizona could open up as a new market for the bicycle industry. Second, the Netherlands has recently (Fall, 2021) strengthened diplomatic relations with Arizona on the topic of sustainable mobility. In 2022, a Dutch mobility trade mission will also visit Arizona. Again, the groundwork already exists in terms of a lively network. Finally, Arizona's politics are changing as a result of shifting demographics. The state increasingly leans West, as California's more progressive attitudes spill over the eastern border. The state is transforming into a more Democratic state, which favors other forms of infrastructure and mobility. Arizona's vulnerable and low-income communities are growing more vocally, pressuring the state to develop policies to make Arizona's overheated cities more accessible and hospitable. These three factors combined make Arizona worthwhile exploring from a bicycle perspective.

The Northeast

The New York City (NYC) metropolitan area forms a cluster of densely populated urban areas. This presents a high volume of a variety of business opportunities. Active mobility is urban mobility. Also,

with a consulate-general present in New York, well-established relations between NYC and the Netherlands, and a lot of Dutch business activity in the region, the state of New York should be one of the priority areas.

The same can be said of Massachusetts. Dutch diplomatic and business ties with Boston are warm and active. Also, Cambridge, home to both Harvard and MIT, are attractive cities for the cycling industry.

DMV-area

The DMV-area is another interesting region for enhanced promotion of Dutch cycling expertise. First, DC has become increasingly ambitious with regard to mobility. Accessible, safe and sustainable mobility are a priority for the District. There is a focus on decreasing mobility inequality, for vulnerable and low-income neighborhoods have been disadvantaged in the car-dominated city of Washington. Second, the Embassy of the Netherlands is located in D.C. The relationships with the city government and bicycle interest groups are good. In Fall, 2021, the relations were reinforced with a visit of the director-general for International and Environmental Affairs of the Dutch Ministry of Infrastructure and Water Management. Together with the League of American Bicyclists, the Dutch delegation headed by the director-general conducted a bike tour through D.C. together with the DC Office of Planning and DC Department of Transportation to discuss DC's mobility ambitions and Dutch bicycle knowhow.

Delaware's major city Wilmington lies in close proximity to major urban centers such as Philadelphia, New York City and Washington, D.C. As a result, the market in Delaware benefits from established diplomatic and economic relations with the Netherlands. Connected to these major hubs via the Northeastern Corridor, success stories in Wilmington might accelerate interest in Dutch cycling expertise along the rest of the corridor and vice versa. Furthermore, the state scores fairly high on all factors in the League's analysis. In 2019, the Dutch Cycling Embassy organized a Think Bike Workshop in Dover. As a follow-up, Dutch experts were invited to participate in the Bike Delaware's (virtual) Conferences in 2020 and 2021. Hence, Delaware is a market worth of further exploration. One possible starting point would be another Think Bike Workshop, for instance in the city of Wilmington.

The South

The Consulate-General in Miami is active in promoting cycling in Florida, mainly in Southern Florida. Florida holds the tenth place on both the League's list as well as in this ranking. Florida is the third most populous state in the US and counts four major metropolitan areas: Miami, Tampa, Orlando, and Jacksonville. Florida scores well on two criteria. Regarding policies and programs, Florida has high standards in its design and access policies, which favor the construction of bike infrastructure. Also, Florida has developed policies on sustainable transportation. With regard to infrastructure and funding, the sunshine state scores no. 1. Implementation of infrastructure plans should therefore be relatively easy. In addition, Florida already has significant presence of bicycle and pedestrian facilities. Close proximity to the Dutch CG in Miami with the network that comes with it is another strength of the market for bicycle business in this state. This is illustrated with a Think Bike Workshop in Miami in 2015. Together with Florida's DoT and DCE, another online workshop is hosted in Palm Beach on January 27th, 2022. All in all, the awareness of Dutch cycling expertise in Southern Florida is currently already at the level where American partners actively approach the Dutch instead of vice versa.

Texas does not appear on any of the top-5 lists per category. In general, it is a state with poor conditions for cyclists. Nevertheless, there are areas where things are changing. The city of Austin has become a bicycle-interested state. A Think Bike workshop in 2012 proved to be a starting point for a transition towards more bicycle-friendly traffic in the city. The relations between the Consulate-general in Miami and Austin are good. A high-level visit to Austin in 2022 will also involve a bike-related event, as 2022 marks the 10-year anniversary of the highly successful Think Bike workshop in 2012. In short, Austin offers many opportunities for the Dutch cycling industry, as the first steps have already been taken.

Although Arkansas is ranked 32nd on the general list and is scoring poorly on most of the indicators, the CG in Miami has identified an opportunity. Arkansas is home to the America's largest retailer: Walmart. Establishing more fruitful relations with Walmart is a priority for the Dutch diplomatic network in the US. In addition, Walmart has shown interest in promoting cycling for both its customers and employees. The CG in Miami is involved in creating new and stepping up existing relations between Walmart, the community in Northwest Arkansas (mainly Bentonville), the DCE, People for Bikes, and Dutch counterparts, such as ROC Twente. For instance, PFB plans to visit the Netherlands again in 2022. The CG aspires to foster public diplomacy and knowledge exchange, as well as trade and investment.

Other opportunities worth exploring

The state of Minnesota holds third position in the list of the League. It could be worthwhile exploring this market by enhancing diplomatic and economic activities aimed at this state. However, for capacity purposes, this should be part of a broader strategy and a conscious choice to foster relations with Minnesota.

The same can be said of Colorado and Utah, which hold slightly lower positions in the top 11 of the League's list.

Breakdown per category

As mentioned before, the Dutch cycling sector is composed of companies divided within three defined areas: knowledge and services, products and construction. Each category will have a different set of wishes and prerequisite to fulfill in order to enter the US market.

The various top fives as defined by the league, may be helpful when zooming in on a more specific industry.

Legislation and Enforcement

This category looks at whether legislation protects or unnecessarily restrict the behavior of people who walk and bike. As a result, it gives an indication of how bike-friendly the policy framework is in a state. More specifically, it analyses the following components of a state's policy framework:

- Laws that regulate driver behavior and methods of enforcement
Does the state have strong comprehensive distracted driving laws and allow photo enforcement?
- Laws that restrict the behavior of people who bike and walk
How does the state unnecessarily restrict the behavior of people who bike and walk?
- Laws that create protections for people who bike and walk
Does the state have laws that provide specific protections for people who bike and walk?

The top 5 in this field:

1. Arizona
2. Colorado
3. Illinois
4. Washington
5. Arkansas

Policies and programs

This category looks at policies and programs the states implement which stimulate a multimodal view on infrastructure and mobility. The indicators are:

- Complete streets
Does the state have a complete street policy and processes to support its implementation?
- Design and access policies
Does the state have policies in place to ensure good design and access for people who bike and walk?
- State of practice development
Does the state support trainings on bicycle and pedestrian infrastructure and complete streets implementation?
- Sustainable transportation policies
Does the state work incorporate multi-disciplinary considerations in the development and implementation of transportation projects?

The top 5 in this field:

1. California
2. Massachusetts
3. Washington state
4. Florida
5. New Jersey

Infrastructure and funding

This category looks at the infrastructure in place or planned which benefit cyclists and also at whether states allocate funding to bicycling infrastructure. The indicators are:

- Design and existence of infrastructure
Has the state made it easy to build bicycle infrastructure and installed a variety of infrastructure on state facilities?
- State transportation funding
Does the state allocate funding to bicycling or limit state funding for bicycling?
- Use of federal transportation funding
Does the state take advantage of available federal funding for biking and walking?
- Planned and recently built bicycle & pedestrian facilities
How many lane miles of bicycle and pedestrian facilities has the state reportedly planned to build and built?

The top 5 in this field:

1. Florida
2. California
3. Virginia
4. Delaware
5. Massachusetts

Education and encouragement

This category looks at whether state inhabitants are actually informed and educated about the benefits of cycling and whether there is advocacy for bicycles as a form of transport. The indicators are:

- State DOT education & encouragement support
Does the state DOT support bicycling and walking events and education materials?
- Mode share & advocacy:
Do people bike to work and are they organized to advocate for improvements?

The top 5 in this field:

1. Oregon
2. New York State
3. Massachusetts
4. California
5. Minnesota

Evaluation and planning

This category looks at whether and how states make planning and evaluation to accelerate and improve their bicycle policies. The indicators are:

- State DOT bicycle & pedestrian plans
Does the state have a bicycle and/or pedestrian plan and does that plan follow best practices?
- Bicycle and pedestrian safety
Has the state made bicyclist and pedestrian safety an emphasis and what does data say about safety?
- Understanding people who bike and walk
Does the state have programs in place to collect data on people who walk and bike?
- Formal user group engagement
Does the state have an official bicycle and/or pedestrian advisory committee and does it follow best practice?

The top 5 in this field:

1. Oregon
2. Utah
3. California
4. Virginia
5. Washington

The next steps

This analysis is the first step to provide clarity as to which regional markets might be most worthwhile for Dutch companies active in the cycling industry. The analysis has been based on a combination of data, information and facts with a varying degree of subjectivity. It is not a scientific study, but combines data and expert judgement to give direction. What should be the priorities and actions of the Dutch diplomatic and economic network active in the United States?

Together with our colleagues from the US network, from the Ministry of Infrastructure and Water Management and with the experts from the Dutch Cycling Embassy, we will use this analysis to develop an action plan for cycling activities in the US for the coming three years. Your suggestions and ideas are welcome!

Washington DC, January 7th 2022

Fleur Pennarts

Dylan Bos

Lilian van Ek