

## **Executive Summary**

A bike rental business is a business that rents bikes for short periods of time for a fee. The bike rentals are provided by the shop as a sideline to our main businesses of sales and service. As with car rental, our bike rental business primarily serves people who don't have access to a vehicle, typically travelers and particularly tourists. Specialized bike rental shops thus typically operate at beaches, parks, or other locations that tourists frequent.

Our bike rental system rents by the day or week as well as by the hour, and these provide an excellent opportunity for those who would like to avoid shipping their own bikes, but would like to do a multi-day bike tour of a particular area.

In order to determine how successful our bike rental business can be, a best practice review of similar programs around the area has been conducted. Before any research could begin, we have to clearly define the scope of our project. In order to do this, we researched the different styles of bike rental programs being used, which are bikes clipped from bike racks and donated to the program, or bikes purchased new by the school. Each system has both pros and cons, which can be found in the methodology section.

However, with the scope for the project defined, the next part of our project was to determine what criteria of each program needed to be recorded for the best practice review. After working with our members, we were able to compose a list of questions for each program. These questions varied from bike models to rental costs and times to where maintenance was done. Once the list of questions had been finalized, we needed to identify college campuses with established bike rental programs. Once a school was identified, we contacted them with our list of questions. The expansion of the list was to get an accurate portrayal of these programs in various

climates, and how the climate might affect their program. After completion of the data table, we began researching the benefits and detriments of each rental system.

## **Market and Industry Analysis**

### **SWOT Analysis**

SWOT analysis is a framework for assessing a company's competitive position by identifying its strengths, weaknesses, opportunities and threats. Specifically, SWOT analysis is a basic assessment model that measures what an organization can and cannot do, as well as potential opportunities and threats.

### **Strengths**

Cycling is a **low impact, healthy exercise** that can be participated by children and adults. It can help us to improve our health and fitness. It increases stamina and strength. However, this will strengthen immune system to avoid getting sick. Cycling rental business is **an eco business that saves our earth**. As cycling save petrol, produces zero pollution. However, cycling to work can **reduce your time** in traffic jams. Starting up a cycling rental business is **limited start-up risk**, as the products or service are sold online. Our company provides **comfortable bike and safety accessories**. This is to ensure the users are in safe. Last but not least, we have **located the bike in different hot spot**, such as city, school areas. These are the places that most people will use the bike as their transportations. Our company uses the easiest and high technology to **register and make payment through QR code**. This method makes customer more convenient.

## Weaknesses

Since we are new start-up business, we have **limited start-up costs**. So, we may have **limited number of bike**. As we are **lack of reputation**, customers may not trust in our business. This will affect our sales and profit. Not only that, **lack of experience** will make us face in trouble while processing.

## Opportunities

When the **number of tourist grows** every year, our business can earn more profits from them. **Rise price of gasoline** makes some people cannot afford the fuels, so they choose to ride a bike.

## Threats

**Replacement costs are not cheap** and to be honest customers can definitely be **negligent**. We often have people who come back trying to explain that their bike is no longer working and they don't know why. The **natural disaster** is only one of the impacts to our business. They cannot cycle in the bad weather as it is dangerous because they cannot have clear vision. The **existing competitors** that have more experience and huge capital for the maintenance cost of bike.

## **Business Description**

### **The Competition**

Setting aside the discount department stores, our bike rental company has the following direct competitors.

- 1 local multi-sport store at the local megamall
- 1 used bike store that has made a fine business reputation for itself, dealing strictly in used bikes.
- 2 local, including the oldest shop in town.

Several garage mechanics offering service only.

None of these competitors is within two miles of the university, and so, for the present, we have first access to our chosen market segments. One of the local shops has chosen to target the burgeoning young road racer segment, another is focusing on recumbent and folding travel cycles.

The two strongest competitors are the Oldest Shop in Town which carries the cache of being the most stable, and most well known -- Rodalink SibU. The Mountain Bike Specialist targets the same athletic, young, performance and image conscious rider that we target in the university student population. These cyclists are particular about their bike and will go where the name brand they want is sold, or will try every bike and then buy the one that fits best, regardless of store loyalty.

In the surrounding areas, indirect competition consists of mass retailers, such as Sin Hock Hin Bicycle Shop, Modern cycle Sdn Bhd, Rodalink SibU . All of these have significantly lower prices; however, the quality of their bikes is much lower than what our bike rental company offers. None of these large retailers have service capabilities.

## **Marketing Strategy**

### **Marketing mix**

## Product

We sell high quality and high performance bike. We have two types of bike which are comfort bikes for recreational user and youth bikes for kids aged 6 and older. Every bike has equipped with a QR code that is for the customers to scan and go. Before that, the customers have to fill the information and method payment. The QR code is find it, scan it, ride it, and lock it. It will record the details of customers and the payment will be made after lock it. We also provide safety equipment including helmets, gloves, and full body armor.

## Place

We have located our bike in two areas which are city compound and university compound. Since city areas are crowded with people, the users can ride to the nearer destinations. College students have no transportation while some of them may not the local students. We will create a website for our business that allows users to contact the store and view a complete list of our products and services.

## Price

Duration	Price
First 30mins	-
1 hour	RM3
3 hours	RM10
1 day	RM45

Our company offers an affordable price in order to attract more customers. We offer a free tour ride at the first 30 minutes. If you rent for one hour, the price is RM3 only and three hours for RM10. Moreover, our company have list a package out, which is daily renting. The price will be RM45 for a day.

## **Promotion**

We will market our business using the following mediums: television, radio, and newspaper advertisements, business website, printed promotional materials. Our television and radio advertisements will be aired on local stations. We will place newspaper advertisements in two of the local papers and the university's paper. Our websites will be up and running by opening day. We will also use print advertisements such as fliers and post cards to promote special sales activities. However, we promote our business through social media. Customers can get clear information from Facebook, Google, Instagram and so on. We will upload the if any promotional activities are held.

## **Operations Plan**

Bike rental business is a new form of sustainable urban public mobility. A common issue observed in bike rental business is imbalances in the distribution of bikes. There are two logistical measures alleviating imbalances: strategic network

design and operational repositioning of bikes. IT-systems record data from bike rental business operation that is suitable for supporting these logistical tasks. A case study shows how Data Mining applied to operational data offers insight into typical usage patterns of Bike rental business and is used to forecast bike demand with the aim of supporting and improving strategic and operational planning. Bikes gain attention in urban public mobility. They allow sustainable transportation and provide the missing link between existing points of public transportation and desired destinations. Bike rental is a short-term bicycle rental service for inner-city transportation providing bikes at unattended stations. Recently, bike rental businesses have rapidly emerged in major cities all over the world. Bike rental providers face a challenging logistical task. They have to ensure high bike availability in order to satisfy customers. Short rental times and one-way use lead to highly dynamic spatial and temporal customer movements causing imbalances in the distribution of bikes. Mainly, there are two logistic measures alleviating imbalances strategic location planning of bike stations and operational repositioning of bikes. Data Mining (DM) applied to operational bike rental business data gains insight into the complex causes of imbalances. According to Hand et al. DM is the analysis of (often large) observational data sets to find unsuspected relationships and to summarize the data in novel ways that are both understandable and useful to the data owner. In future works, the obtained findings can be used for building sophisticated planning models from the field of Operation Research. In measures alleviating bike imbalances in Bike rental business are presented. A DM framework for supporting strategic or operational planning of bike rental business is introduced. In a subsequent case study, two years of operational ride data from Vienna's bike rental business "Citybike Wien" are analyzed according to

the DM decision support framework. Typical usage patterns are determined and bike demand is forecasted which can support strategic and operational decisions.