



*Swapfiets*

PRICING ANALYSIS &  
RECOMMENDATIONS

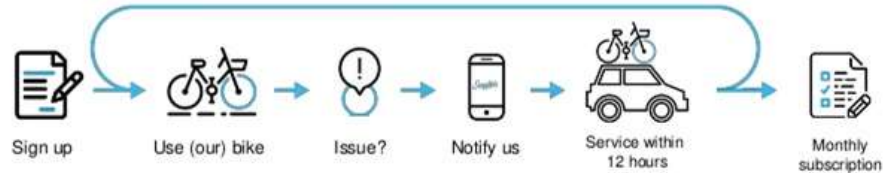
Group 5

# OUTLINE

1. Company Background & Scope of Analysis
2. Situational Analysis
3. Comparison of Alternative Pricing Strategies
4. Recommendations

# 1.1 SWAPFIETS' BACKGROUND

## Bicycle as a service




- Established in 2016, Delft;
- Starting with 150 users, in 2020 Swapfiets' customer base exceeded 170,000 users;
- Operates in 65 cities in 4 countries;
- In 2018, the company experienced a €11.3 million loss.

## 1.2 SCOPE OF THE PRICE ANALYSIS

Swapfiets' Original granny bike for €13.50/month or Deluxe 7 version for €19.50/month subscriptions purchased by students in Rotterdam for a period of one year.

### Original

Robust 'Dutch Bike' (omafiets) with coaster brake.




~~€16.50~~ **€13.50**

**Student discount**  
You have a valid student card. ☒

[view bicycle](#) [sign up](#)

### Deluxe 7

Luxury bike with 7 gears, hand and coaster brake.



**€19.50**

[view bicycle](#) [sign up](#)

## 2.2 SITUATIONAL ANALYSIS

### Competition

- First- and second-hand bikes.
- Public transport:
  - Metro;
  - Bus/Tram.

### Legal

- Swapfiets is not affected by the ban on free-floating bikes.
- Some bikes contain track & trace chips → privacy concerns.

### Lifestages

- Brand: growth, at a decreasing rate.
- Bike business model:
  - Circular economy > Purchase.

## 2.1 SITUATIONAL ANALYSIS

### Costs

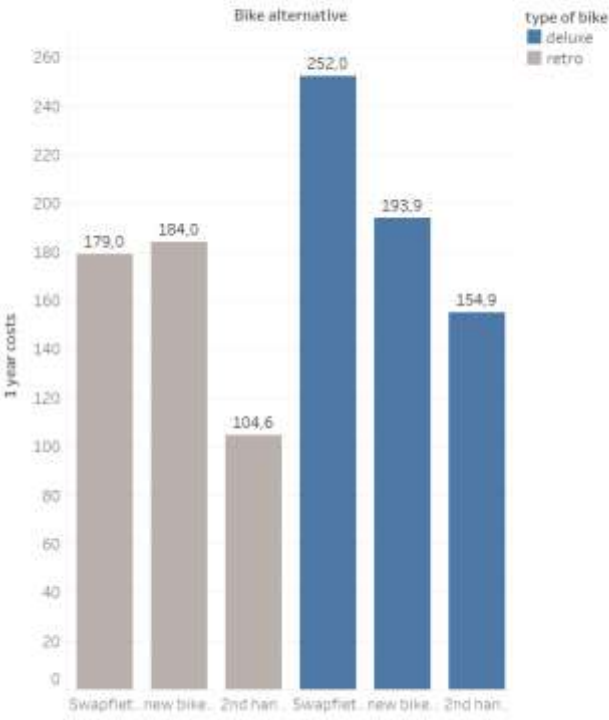
- Manufacture Bike Costs:
  - Original: €122
  - Deluxe: €156
- HR Technician Cost : €20,224/week.
- In case of theft (5% chance):
  - Original: €82
  - Deluxe: €96

### Customers

- Students represent Swapfiets' target group.
- Characteristics:
  - Convenience seekers;
  - Risk averse;
  - Price sensitive.

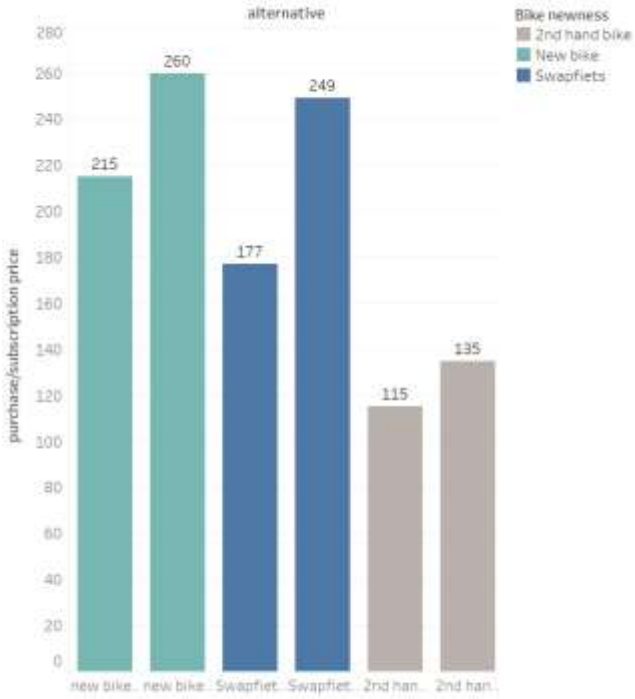
# 3.1 COMPARISON OF ALTERNATIVE PRICING STRATEGIES

1 year costs of bike alternatives compared to Swapfiets



Sum of 1 year costs for each Bike alternative. Colour shows details about type of bike. The marks are labelled by sum of 1 year costs. The view is filtered on Bike alternative, which excludes Public transport.

Purchase price of owned bikes compared to 1-year Swapfiets subscription fee



Sum of purchase/subscription price for each alternative. Colour shows details about Bike newness. The marks are labelled by sum of purchase/subscription price. The view is filtered on alternative, which excludes Public transport.

Estimated repairment cost for 1 year

alternative	
2nd hand bike retro	50
2nd hand deluxe	60
new bike deluxe	30
new bike retro	20
Public transport	0
Swapfiets deluxe	0
Swapfiets retro	0

## 3.2 COMPARISON OF ALTERNATIVE PRICING STRATEGIES

	Swapfiets	New Bike	Used Bike	Public Transport
Advantages	<ul style="list-style-type: none"><li>• Wallet-friendly monthly payments</li><li>• Convenient repair service</li><li>• In case of theft, lower loss</li></ul>	<ul style="list-style-type: none"><li>• Part of money back from resale</li><li>• Choose the bike you like</li></ul>	<ul style="list-style-type: none"><li>• Cheap to purchase</li><li>• Benefit from resale value</li><li>• Choose the bike you like</li></ul>	<ul style="list-style-type: none"><li>• Convenient even in bad weather</li><li>• Fast connection</li></ul>
Disadvantages	<ul style="list-style-type: none"><li>• Lack of choice</li><li>• Agreement to terms and conditions</li></ul>	<ul style="list-style-type: none"><li>• Large lump sum of money to purchase</li><li>• Possible repair costs</li><li>• Theft risk</li></ul>	<ul style="list-style-type: none"><li>• High chance of repair costs</li><li>• Theft risk</li></ul>	<ul style="list-style-type: none"><li>• Expensive</li><li>• Does not work 24/7</li></ul>



## 4.1 RECOMMENDATIONS

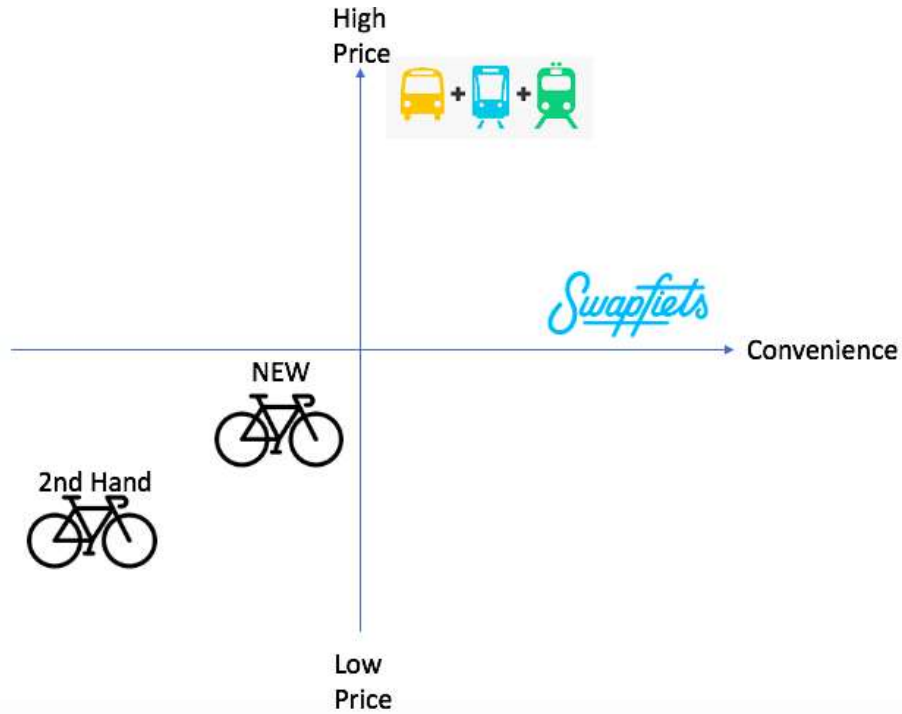
Economic value of the consumer:

- Benefits: Convenience, decreased risk
- Differentiation value: all-in insurance = €42.96 per year
- Closest competitor: Second-hand versus New bike

Subscription pricing:

- Retro:
  - Lower bound: €99,17
  - Upper bound: €124,44
- Deluxe:
  - Lower bound: €99,88
  - Upper bound: €138,23

## 4.2 RECOMMENDATIONS



## 4.3 RECOMMENDATION 1: YEARLY SUBSCRIPTIONS

- Offer a full 1-year subscription
- Increases up-front cash flow
- Increases retention rate
- Increases customer period value

## 4.4 RECOMMENDATION 2: NO CLAIMS DISCOUNT

- Offer a discount if no claims are made, which increases over time
- Stimulates more responsible behavior
- Decreases costs for Swapfiets
- Decreases price for the consumer

## 4.5 RECOMMENDATION 3: STUDENT DISCOUNT FOR DELUXE

- Preference for deluxe, especially international students
- No current student discount for Deluxe
- Closer to the costs of purchasing a new deluxe bike