

Cycle clothing market



Abstract This report aims to analyse the external business environment using the PESTEL tool to identify four key trends that are most likely to affect possible ventures that the business might undertake. The four key trends are based on the economic benefit of cycling in a financial recession; how sales will be increased due to role models emerging from the 2008 Beijing Olympics; how the Government are encouraging cycling to increase the health and fitness of the nation; and finally how cycling helps the environment by cutting harmful carbon emissions produce by other means of transport which are causing the current climate change.

The report will conclude by discussing the potential opportunities and threats that are present in the market, and how they can affect the business. Table of Contents: 1. Intro: The business being represented in this report has designed a new range of clothing suitable for cyclists that commute to work, and are looking to find out which key trends are likely to affect possible ventures. The key benefits of these products are the fact that they are lightweight, waterproof and shock-absorbing, which differentiates it from many others products available on the current market.

There are many companies who offer clothing for cyclists, such as Sportif, B'Twin, Lusso, Endura and Alpinebikes. 2. Key Trends This part of the report will identify and analyse key trends that are the most likely to affect possible ventures that the research group might undertake. 1. Economic benefit in a financial recession. From the PESTEL analysis performed, one of the main key trends that will affect the business is the cost benefits that cycling has, and due to the current economic crisis, people are being more and more cautious of their money and are willing to save where ever they can.

As you can see from Figure 1 below, the price of fuel is quite high for the average journey that people make to work every day, especially as the average distance travelled to work is 12.76 km (or 7.93 miles) [2]. If an average car does approximately 35 mpg, then it would cost 3.31 litres of fuel everyday, or approximately 3 in petrol daily (using the price of petrol at 89.9p/litre as of 5/3/09). Over a year that amounts to quite a lot of money, especially as that doesn't take into account other factors such as the congestion charge if travelling in London, parking fees, maintenance, etc..

[pic]

Figure 1 - Fuel Price Review for 2008 [1] This is an important factor for the business, as cyclists will not have to pay all these charges, thus making the idea of cycling to work a lot more acceptable. People are more cautious of what they spend money on, and if cycling to work is cheaper than driving, which it is proven to be, then this will encourage more and more people to start commuting on a bicycle. This will obviously benefit the business, as if more and more people are cycling to work each day, then they will need to buy suitable clothing in which to commute to work in, thus creating business.

1]Fuel Price Reports: petrol price review 2008 - The AA http://www.theaa.com/motoring_advice/fuel/aa-fuel-price-review-2008.html Date accessed: 3/3/09

[2] Travel to Work: Key Statistics for urban areas, results by population size of urban area <http://www.statistics.gov.uk/STATBASE/Expodata/Spreadsheets/D8320.xls> Date accessed: 5/3/09

Cycling - <http://www.cyclingforfun.co.uk/JoiningTheCyclingRevolution.html>

- accessed 3/3/09 Cycle Clothing Companies - <http://www.britishtrails.co>

uk/v2/index.php?option=com_weblinks&view=category&id=5&Itemid=11 - accessed 3/3/09