Mobike: Backpedaling Out of India – An International Marketing Case Study

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Abstract

In the past few years, the bike-sharing industry has gained traction in large cities and suburban areas all over the world. Mobike, an app-based bike-sharing company founded in China in 2015, introduced a new, efficient and eco-friendly mode of travel for short commutes using smart bikes which are bikes with a motor that help assist the rider's pedal-power. Bike-sharing has grown into a booming industry due to rapid urbanization, traffic congestion, and pollution problems. Mobike entered India in 2018 but faced many challenges. Since the takeover and expansion of Mobike, Meituan, the holding company, has suffered a loss of 4.6 billion yuan ($680 million), which is triple the bike-sharing business contribution of 1.5 billion yuan (Liu, 2019). These problems have been seen industry-wide as interest in bike-sharing has been waning and the industry, especially start-ups, are not adequately regulated (QP software, 2019). Challenges for Mobike in India include low literacy, aversion to cashless payments, and privacy concerns. Additionally, public transportation is a popular mode of travel and most cities do not have designated bike lanes. Indeed, India just doesn't have the same "bike culture" like China. This case study focuses on how Mobike needs to adapt its marketing mix to address consumers' needs while tackling the many challenges it faces in India.

Keywords: Bike-sharing, India, China, Emerging Markets, Fitness, Mobike, International Marketing Strategy, Smart Bikes, Transportation, Case Study

Note: Reference available on request