



**LUCINTEL INSIGHT
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FIVE TRENDS SHAPING THE FUTURE OF THE ELECTRIC SCOOTER MARKET

Electric scooters are gaining traction, representing huge growth potential due to growing adoption of e-scooter sharing services, stringent environmental regulations, and rising government incentives and subsidy programs such as sales tax exemption and consumer subsidies on the purchase of electric scooters.

The electric scooter market is divided into segments of retro, standing, and folding electric scooters. Key players in the electric scooter market, in terms of product development, include NIU Technologies, Terra Motors Corporation, Vmoto Limited, Yadea Technology, and BMW Mottard International. These have been working on different strategies to drive sales using the most influential marketing techniques. However, as we examine the challenges and opportunities ahead in this market, companies can benefit from a strategy of developing lightweight electric scooters embedded with advanced technologies along with their heterogeneous integration to drive toward the key market trends we have identified. Lucintel predicts the global electric scooter market will be valued at \$16.4 billion by 2025, with an expected CAGR of 0.5% to 2.5% between 2020 and 2025.

Lucintel identifies five trends set to influence the global electric scooter market. Most of the industry players and experts agree that these five trends will accelerate developments in the electric scooter industry in the near future. In terms of the widespread knowledge about the electric scooter already on the horizon, there is still a lack of unified perspective on the direction the industry is moving to proactively address developments. To help bring more clarity to this gap, our study aims to provide insights concerning the direction that changes are taking, and how these changes will impact the electric scooter market.

1. Increasing E-Scooter Sharing

Many emerging cities across the globe are struggling in the face of traffic congestion, increased fuel consumption, and deteriorating air quality. Increasing fuel consumption is threatening the long-term energy security of several countries, making them increasingly susceptible to global oil supply fluctuations. E-scooter sharing services



greatly minimize traffic jams, and at the same time allow countries to effectively manage environmental challenges and energy dependency. E-scooter sharing market trends have become a boom around the world. Uber and Lyft, the largest ride sharing companies in the USA, launched their e-scooter sharing services in 2018. A change in consumer buying behavior reflects an increased preference for sharing rather than owning scooters. E-scooter sharing systems offer low prices and high-quality scooter convenience integrated into a dense multimodal network.

2. Development of Lightweight Lithium Batteries for Electric Scooters

The latest development in the scooter industry is lithium battery powered electric scooters. Gogoro Inc. has developed such a smart scooter which eliminates the need for the user to charge their batteries. Instead, a network of battery stations is used to swap the batteries with charged batteries when the user requires one. These charging stations are a part of the energy grid, which in turn helps cities become efficient with respect to the utilization of energy.



3. Government Incentives and Subsidy Programs

Governments have been providing fiscal incentives such as sales tax exemption and consumer subsidies on the purchase of electric scooters. Governments are planning to gradually phase out some of the incentives in the coming years. In an increasingly volatile oil market, the deployment of electric scooters has accelerated very quickly in the past five to ten years, influenced by national energy policies and driven more by environmental requirements than by commercial



considerations. At the same time, governments are increasing support for building charging infrastructure. For example, the Taiwanese government is cutting the commodity tax to zero and also providing subsidies to electric scooter buyers. The government currently is offering a subsidy of NT\$7,000 (US\$ 233) for the purchase of a lightweight scooter and NT\$10,000 for a heavy motorcycle. The US federal government and a number of states have offered a financial incentive in the form of a tax credit on the purchase of electric scooters. India has also launched its FAME (Faster Adoption and Manufacturing of Electric Vehicles) program to provide financial incentives for 86 different models of electric two-wheelers.



4. Technology Development in Electric Scooters

Some of the newly launched technologies offering potential for more developments in this market are listed below:

- NIU, the world's number-one smart electric scooter brand, has launched the NIU App for iOS and Android devices. The all-new app takes the most advanced connected scooter to an even higher level by enabling scooter firmware updates through the app over their wireless connection, and a host of new features that make it easier for riders to gain insights about their scooter.
- Yadea Technology Group Co. Ltd. introduced the world's first urban vintage-style electric



scooter with a side-mounted motor. It is designed by KISKA, the leading Austrian industrial design experts. It is equipped with an integrated 3.0 KW side-mounted motor with a maximum torque of 138 Nm. In only five seconds it can reach a top speed of 80km/h (50 mph). It has a smart chip keyless system along with a GPS+GPRS dual-mode precision positioning system.

5. Growing Demand for Electric Scooters in the Service Industry

Electric scooters are being increasingly employed by the service industry for delivery purposes. As these are simple, small, and smart, they are ideally suited for delivery services, such as those from fast food joints and the e-commerce sector. The food and beverage virtual retail section is cutting down on its expenses by employing inexpensive modes of transport, thus augmenting the market for electric scooters.



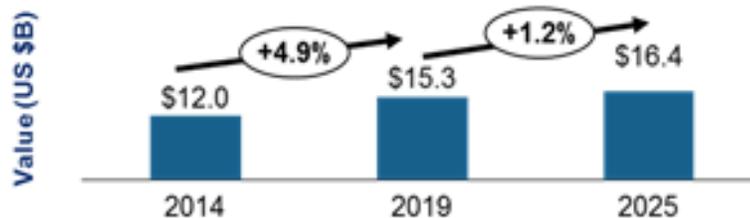
Strategic Considerations for Key Players in the Electric Scooter Market

The electric scooter industry is dynamic and ever-changing. Successful industry players are masters of innovation, change, and adaptation. To retain this status, they need to be attentive to current trends. We believe there will be promising opportunities for electric scooters in the retro, standing, and folding scooter markets. As per Lucintel's latest market research report (Source: <https://www.lucintel.com/electric-scooter-market.aspx>), the [electric scooter market](#) is expected to grow with a CAGR of 0.5% to 2.5% between 2020 and 2025, and reach \$16.4 billion by 2025. This market is primarily driven by increasing consumer awareness regarding eco-friendly transportation, stringent environmental regulations, rising government incentives and subsidy



programs, and growing adoption of e-scooter sharing services.

Trends and Forecast for the Global Electric Scooter Market (US \$B) (2014-2025)



Source: Lucintel

Whether you are new to the electric scooter market or an experienced player, it is important to understand the trends that impact the development process, as these trends as listed above will lead players to create long-term strategy formulation that will allow them to remain competitive and successful in the long run. For example, to capture growth momentum, electric scooter market players can develop capabilities in lightweight electric scooters embedded with advanced features such as geo-fencing, anti-theft alarms, keyless ignition, parking gear, and reverse gear. Players can also focus on technologies like battery-swapping infrastructures and electric scooters embedded with GPS smart options, which are expected to lead future trends.

Note: In order to gain better understanding, learn more about the scope, benefits, companies researched, and other details of the electric scooter market report from Lucintel, click on <https://www.lucintel.com/electric-scooter-market.aspx>. This comprehensive report provides you in-depth analysis on market trends and forecast, segment analysis, regional analysis, competitive benchmarking and company profiling of key players. In addition, we also offer **strategic growth consulting** to meet your customized needs. We have worked with many PE firms and corporate customers in the process of their market entry and M & A initiatives.



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