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McKinsey perspective on the micromobility market

Drive Sweden Micromobility Forum

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DRIVE:SWEDEN

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Focusing on 2W and micromobility market sizing and consumer insights

Works with clients across the mobility & micromobility ecosystem

The McKinsey Center for Future Mobility is the leading consultancy on future mobility and your partner for navigating the mobility revolution



Deep expertise on all mobility related topics

~2,000

hours per day spent on future mobility related topics, allowing unbeaten expertise across value chains, industries, functions, regions, and disruptions



Proven impact at scale across industries and stakeholders

>600

engagements per year

>300

clients served per year

>200

mobility disruptors served

>20

industries served



Market leader for mobility projections

>45

dedicated colleagues working exclusively on mobility projections

>100 bn

data points on mobility



Global network of world class thought leaders and experts

>300

impressive future mobility experts in McKinsey and industry across the globe

15

hubs across NA, EMEA, APAC with dedicated local expertise



Voice of the industry

>73%

share of voice in top media – more than all competitors together

>750

quotes in top media outlets worldwide in 2023

Agenda

1

Outlook for the
global
micromobility
market

2

Insights from
our proprietary
consumer
surveys

3

How we can
support you

Today's micromobility market is fueled by three key drivers



1 Regulation

Cities are increasingly initiating **regulation which favors emission-free mobility and shift to smaller form factors**, amongst others micro- and minimobility

2 Consumer acceptance

Consumers are willing to use **cheap, flexible and emission-free mobility**, particularly in cities where **travel via micromobility is faster than with car-based modes**

3 Technology

Battery technology innovations allow for new minimobility use cases

Proof points

Almost 60% of metropolises¹ in EU and US support micro- and minimobility through investment schemes, infrastructure projects or urban vehicle access restrictions

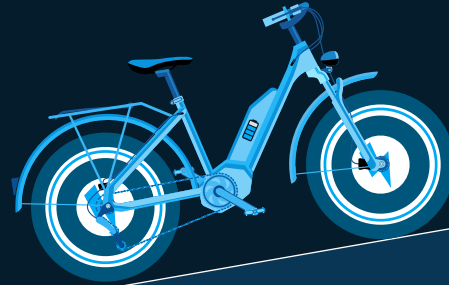
~70% of global survey respondents would use micromobility for their daily commute, mainly in countries with a long micromobility tradition (e.g., China and Italy)

~46% of all trips are below 5 km and ~60% of all trips are below 8 km, fitting in neatly to the average trip distances of micromobility offerings

Battery ranges for electric bicycles exceed 100 km, allowing for **comfortable multi-trip journeys** without the need to re-charge

1. Metro areas with population >3 mn

Where does the micromobility market stand?



Underlying themes

2018

Previously: Hypergrowth & establishing the business model

“Market making” approach to shape customer and city behavior

Establishing the business model such as form factors, ownership types etc.

Focus on hypergrowth to landgrab market shares

2021/
22

Now: Market consolidation & profitable growth

Market consolidation

Subsequent focus on profitability, i.e., operational efficiency, supply chain excellence, and vehicle & service quality

Regulators with proactive role in regulating micromobility

Longer lead times to complete funding rounds

2024+

Next: integrated (micro)mobility aggregators?

City collaboration “2.0” with focus on safety and data sharing

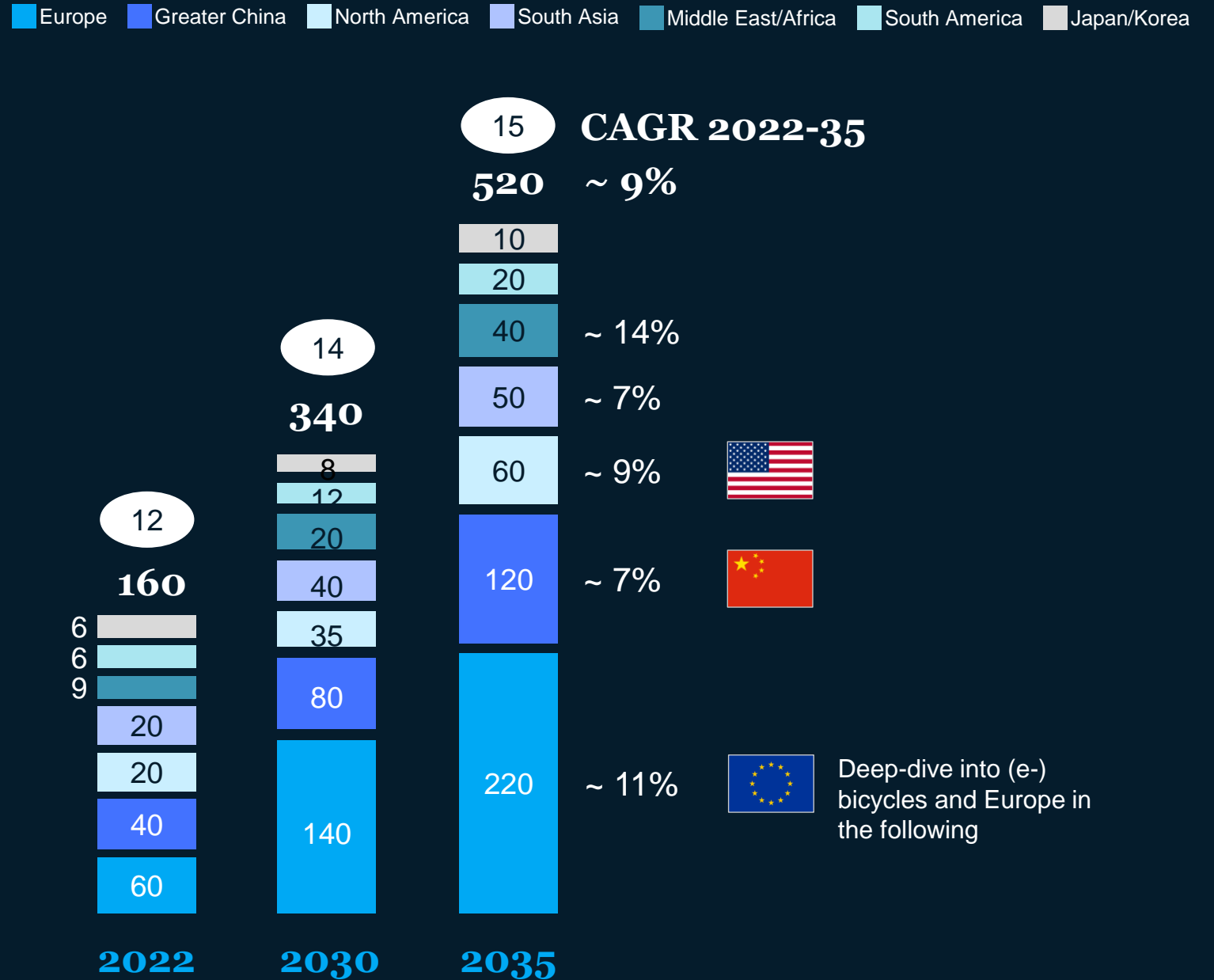
Inclusion of new form factors & ownership types

Expansion to new business adjacencies

Global micromobility value pools expected to more than triple by 2035 – Europe with strongest increase after MEA

Global micromobility value pool split by region for 2022 vs. 2035, billion USD rounded

X Share of micromobility kilometers driven (PKT) to total mobility kilometers driven (%)



Deep-dive into (e-) bicycles and Europe in the following

Deep-dive: the electric bicycle accounts for almost 40% of the European micromobility market today

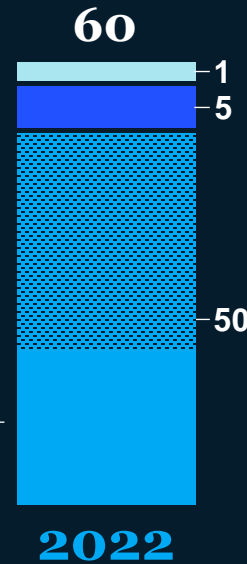


European micromobility value pools by mode for 2022 vs. 2035, billion USD rounded

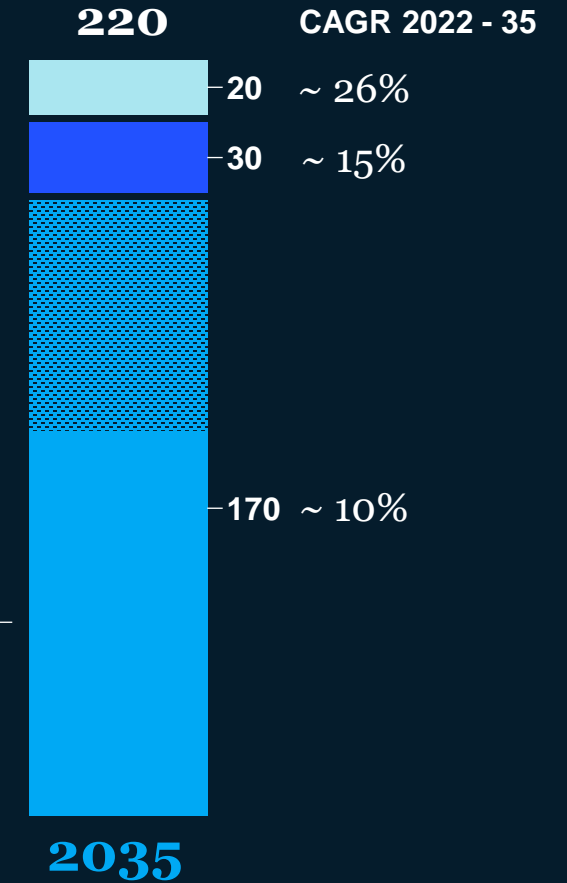


(Electric) bicycle (Electric) moped E-kick scooter

Thereof, ~22 bn USD for e-bicycle, i.e., ~37% of entire market



Thereof, ~110 bn USD for e-bicycle, i.e., ~50% of entire market

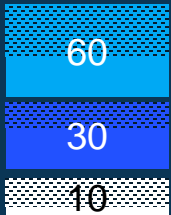


Deep-dive: (E-)bicycle value pools in Europe, US and China expected to reach 300bn USD by 2035 – electric bicycle accounting for ~70%

(E-)bicycle value pool¹ for Europe, US and China 2022 vs. 2035, billion USD rounded

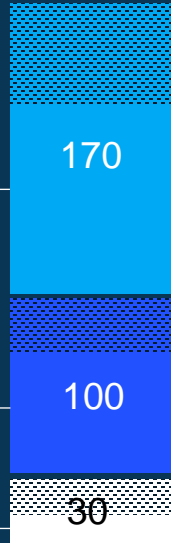
■ Europe
 ■ China
 ■ United States

100



2022

300



2035

~110 bn USD (~65%)
thereof for e-bicycle

~80 bn USD (~80%)
thereof for e-bicycle

~15 bn USD (~50%)
thereof for e-bicycle

~ 10%

~ 10%



~ 10%



~ 8%

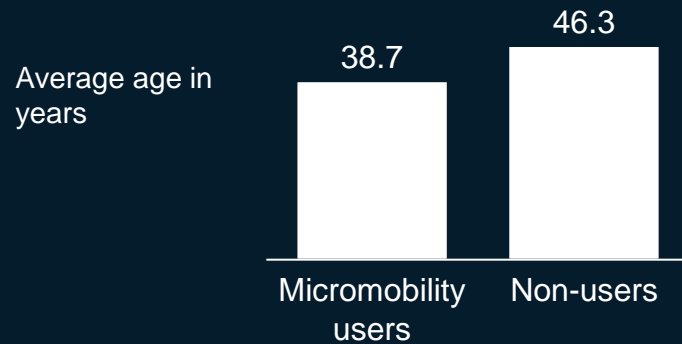


1. includes private and shared (e-)bicycles

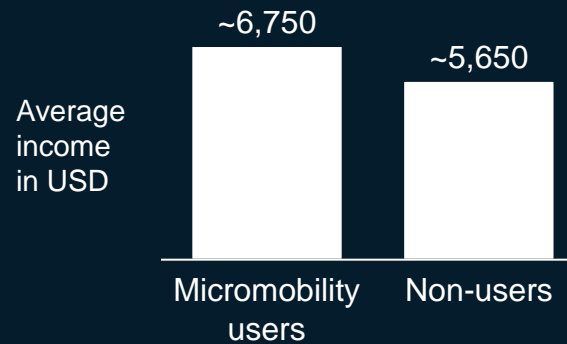
Micromobility users have **distinct characteristics**: they are younger, have higher incomes and more urban than non-users

Micromobility users ...

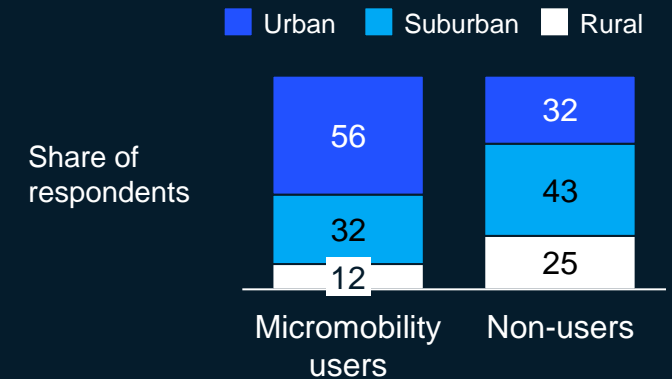
... are **younger**



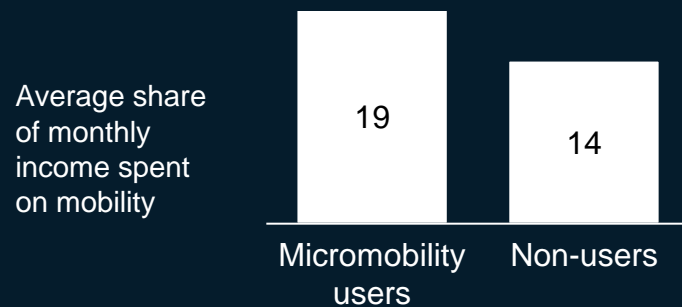
... have a **higher income**



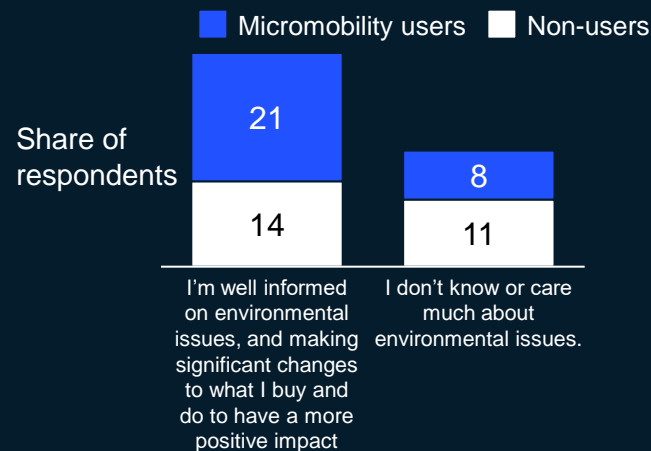
... live in **urban areas**



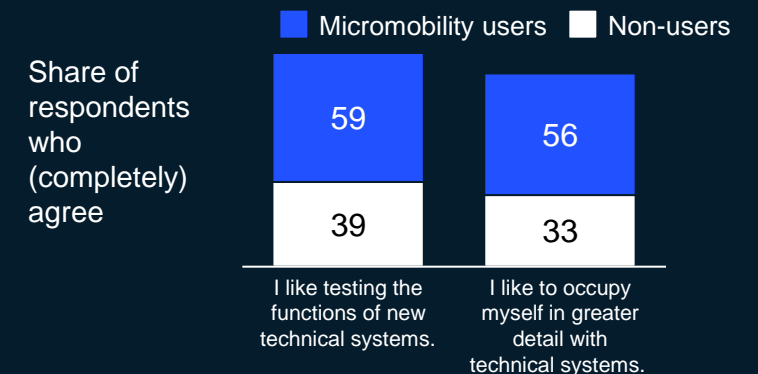
... **spend more of their income** on mobility



... are **more environmental-conscious**



... are more **technology-savvy**



Global consumers with increasing demand and shifting behavior in micromobility preferences...



Global consumers want micromobility ...

31% regularly use micromobility today (>1x per week)

30% plan to increase their micromobility usage in the future (even 35% in Europe)



... but preferences differ by mode and ownership type

Almost 60% see traditional or electric bicycle as one of their preferred micromobility modes

~ 1 out of 2 consumers prefer outright purchase for (e-)bicycles, but new ownership forms are rising



Micromobility usage differs by region

Micromobility usage strongly differing by region (~24% of consumers in US vs. ~33% in Germany and 45% in China with regular usage)

Bike tours and everyday use are top use case for EU (e-)bicycle owners (~60%)



... impacting purchasing behavior

>80% prefer bicycle purchase in physical stores

~3 out of 4 e-bicycle considerers see GPS features as (very) important when buying an e-bicycle

1. incl. top 3 box (rather interested, interested, very interested)

What does this mean for the stakeholders in the industry?

1) Shared micromobility providers

Collaboration with cities and agreement on **common, traceable goals** will be key

Providers that have **already scaled and are profitable today** have a **clear competitive advantage**

Further market consolidation expected

2) Micromobility manufacturers & suppliers

Innovations in safety and connectivity with a real **value add for customers and regulators** become important

Purpose-built vehicles that serve **specific use cases** (e.g., exercising, cargo) will spur consumer adoption

Collaborations between shared operators and vehicle manufacturers in developing and manufacturing vehicles will be the **new norm**

3) Micromobility investors

Shared and private micromobility markets will continue to grow until 2035 – across all regions

Successful players are those who provide **products and services that are easily integrable into consumers' everyday lives**

New investment opportunities might open in **upstream value chain segments** (e.g., suppliers for niche technologies)

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