

A BRIEF STUDY ON BICYCLE RENTAL BUSINESS IN KOHIMA

*Project report submitted to Nagaland University in partial fulfillment
for the award of the degree of Bachelor of Commerce*

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DECLARATION

Date:

I declare that the project report entitled “A Brief Study on Bicycle Rental Business in Kohima” submitted by me for the award of the degree of **Bachelor of Commerce** of Nagaland University is my own work. The project report has not been submitted for any other degree of this University or any other university.

AKHRUZO KEZO

CERTIFICATE

I forward this project report to be placed before the examiners for evaluation.

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Supervisor

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CHAPTER-1

Introduction

1.1 A Brief Introduction on Bicycle Rental Business.



A bicycle rental or bicycle hire business rents out bicycles for short periods of time, usually for a few hours. Most rentals are provided by bicycle shops as a sideline to their main businesses of sales and service, but shops specialize in rentals. Bicycle rental businesses provide bicycles to people who are not exclusively visitors or tourists for a short period of time. Bicycles are more often used for local exploration. The people who take rents on bicycles are not mostly tourists or visitors but usually the residents and locals themselves.

Even though cycling is an old fashion, it is still fresh and new in Kohima when it comes to bicycle tourism. Kohima is a hilly terrain and because of that cycling was not considered a fun activity. But with the development of better roads and cycling lanes, things took a U-turn. A few bicycle rental business were launched where one was an initiative from the government while some were done by our own local individuals.

In these research, considerable information is analyzed through some of the bicycle rentals that are presently operating in Kohima and factors based on the user's perception has been studied.

1.2 Review of the Literature

In this section, a detailed background on existing literature on the research topic is provided. In order to understand this section, it is sub-divided into the following sub components namely, a) review on bicycle transport as an opportunity to develop the urban tourism, b) review on factors influencing bicycle-metro integration.

- a) Review on bicycle transport as an opportunity to develop the urban tourism (Michal Roman & Monika Roman)

“This research gives a brief review about cycling as a form of transport and tourism in Warsaw. This research showed that the city dwellers and tourists in Warsaw can use around 2000 bicycles offered by 167 bicycle rentals. The urban bike rental system is addressed to people who like active lifestyle and cycling but do not a bicycle or has no room for bicycles. It is a very good solution to reduce the congested city on the way to work, or school, or other destination. In June 2013, a million bicycle rentals took place in Warsaw. This proves the fact that there is great popularity of bike rental business among the city dwellers and tourists.

From these research we will find that bicycle rental system has been a great success in the Warsaw, and it gives the green light to other cities, a great opportunity for the other cities that have great trails, longer mileage, etc”.

- b) Review on factors influencing bicycle-metro integration (Jay Panchal, Bhandhan Bhandhu Majumdar, V.Vinayaka Ram, and Debasis Basu)

"This section is intended to provide a brief review of existing research literature available related to bicycle and metro integration. Among existing researches, Rietveld (2000) put forward that bicycle can be an attractive access mode for the railways as it saves the users time at bus or tram stops.

He discovered that at the home end of the trip, bicycles seem to play an important role as it gets a share of 35% as an access mode, whereas the share is much lower at the activity end. He also finds that potential bicycle users may get discouraged to ride bicycle to metro because of the insufficient parking facilities for bicycles and high risk of bicycle get stolen at the railway stations. Parkin et al. (2008) reported that an individual and the socio-economic characteristics like gender, car owners, age, number of students within the population, culture, standard of class of the people and income plays a significant role towards one's choice to bicycle. A few other factors such as physical determinants like journey distance, degree of the areas density, terrain structures (hilly / mountainous etc.) and weather influenced attributes such as temperature and rainfall have been significantly influencing the bicycle mode choice in an effective manner.

1.3 Objectives of the Study

This research is carried out with the following objectives:

- ❖ To study the aspects of planning and setting up of bicycle rental business
- ❖ To analyze the market potential of bicycle rental business
- ❖ To study the demographic characteristics of the sample population who preferred bicycle rentals
- ❖ To identify the factors influencing the decisions of the sample population regarding bicycle rentals

Significance of the study

Bicycle tourism can be characterized as a positive action, which incorporates both transportation and recreation experiences. Tourism and recreational cyclists are ones who utilize a bike for excursion pleasure, and generally takes moderately short outings. In the city of Kohima, a good amount of the youth populations have an enthusiasm for travelling. There are a couple of new businesses which have been profiting on bicycle rentals. Cycling and tourism are becoming popular in the present times, more people are engaging into this activities for recreation experience and adventures. Therefore, if business

sectors begin in such kind of start-ups in Kohima, it can be a promising source of making enormous cash earning opportunity. This study recognize the potentials for this business unit.

Research Question

- Is cycle rental business a profitable Venture in Kohima?
- What are the prospects of cycle rental business in Kohima?

1.4 Research Problem

- ❖ The study cannot be considered as 100% accurate since it is based on student's point of view.
- ❖ Shortage of time has also been a major hurdle in this research.
- ❖ The survey is a factor of bias and prejudice of the respondents.
- ❖ Data may not be accurate as the demographic target respondents only constitute a small percentage of the wide population.

1.5 Research Method

- ❖ *Primary data* was used for collecting the information and various data in the form of questionnaire techniques.
- ❖ *Secondary data* was also used for collecting various information from the internet.

Chapter-2

Data and

Research Analysis

2.1 Bicycle Rental businesses operating in Kohima

SaviBikes	
Location	New Market, Daklane, Sect 3
Launched	2021
No. Of Cycles	8
Contacts	70851 21093
No. Of stations	1



❖ **Background:**

A small and fresh bicycle rental business start up by a young boy name Saviwho is a only a graduate student. He started rental business after he finished his college degree. The business came into force in 2021 with a capital of around Rs. 90,000 to

Rs. 2,00,000. There is a total of 8 bicycle assets. It is a private business and the ownership solely belongs to Savi himself.

Table 1

For one bicycle	Price₹	Duration
Per hour	50	Anytime from 9am to 4pm
Per day	250	9am to 4pm

❖ **Reviews:**

- Hiring service is available throughout the week
- Customers can book their bicycles in advance
- Customer's ID card, aadhaar card or other is required in order to hire for security purposes
- If damage is caused to the property then a fine should be imposed on the customer for repairing expenses.
- Customer can contact the owner through direct call, WhatsApp, Email, or other social media for online booking.

❖ **Business profile:**

- Start Up Costs: Rs. 90,000 to Rs.2,00,000
- Potential Earnings: Rs. 1,00,000 to Rs. 1,50,000
- Typical Fees: Rs. 250 per day
- Advertising: Internet, social media's, etc.
- Qualifications: None
- Equipment Needed: Fleet of bicycles and repair kit
- Potential Home Business: Yes
- Staff Required: No

Cycle4Change

Location	Supermarket, near Local ground
Launched	2020
No. Of Cycles	10
Contacts	87942 67542
No. Of stations	1



❖ **Background:**

[1]The India Cycles4Change Challenge is an initiative of the Smart Cities Mission, Ministry of Housing and Urban Affairs, Government of India to inspire and support Indian cities to implement quick cycling-friendly initiatives in response to COVID-19. The Ministry of Housing and Urban Affairs launched the Challenge on June 25th2020.95 cities from across the country have registered to participate in this challenge. In addition to creating extensive cycling-networks through low-cost interventions like pop-up cycle lanes and traffic-calmed or non-motorised zones, cities could launch programmes such as community-led cycle rental schemes that increase the availability of cycles to citizens and promote the usage of cycling through public events and outreach. In the longer term, the Smart Cities Mission encourages cities to convert temporary interventions into permanent urban infrastructure.

Kohima is one of the 95 cities that has been registered for the India Cycle4Change Challenge, which is an initiative of the Smart Cities Mission. In a move towards making Kohima a hub for cycling, the Kohima Smart City Development Limited (KSCDL) on Friday, launched the Cycles4Change mobile application which gives access for users to rent a bike, check cycling routes, mountain bike trail networks, cycling clubs and shops in Kohima, and also receive notifications on cycling events, group rides through Cloud messaging and in-App messaging platform(Ambrocia 2020).

Table 2

For one bicycle	Price ₹	Duration
Per hour	50	Between 9am to 4pm
Per day	300	9am to 4pm

❖ **Reviews:**

- Hiring service is available throughout the week
- Advanced booking and pre scheduling plan can be done

- Customer's ID card, aadhaar card or other is required in order to hire for security purposes
- Fine can be imposed if any damage is caused to the property.
- Online bookings can be done through email, facebook, and other social media platforms.

❖ **Business Profile**

- Start Up Costs: Rs. 1,00,000 to 5,00,000
- Potential Earnings: Rs. 2,00,000 to Rs 5,00,000
- Typical Fees: Rs. 300 per day
- Advertising: Flyres/ Brochures/ Internet
- Qualifications: None
- Equipment Needed: Fleet of bicycles and repair kits
- Potential Home Business: Yes
- Staff Required: No

2.2 Results and Analysis of the demographic respondents

Following are the details of the demographic characteristics of respondents.

Table 3

AGE				
	Frequency	Percentage %	Valid Percentage	Cumulative Percentage
18-27	55	68.75	68.75	68.75
28-37	17	21.25	21.25	90
38-47	6	7.5	7.5	97.5
48 and above	2	2.5	2.5	100
Total	80	100	100	

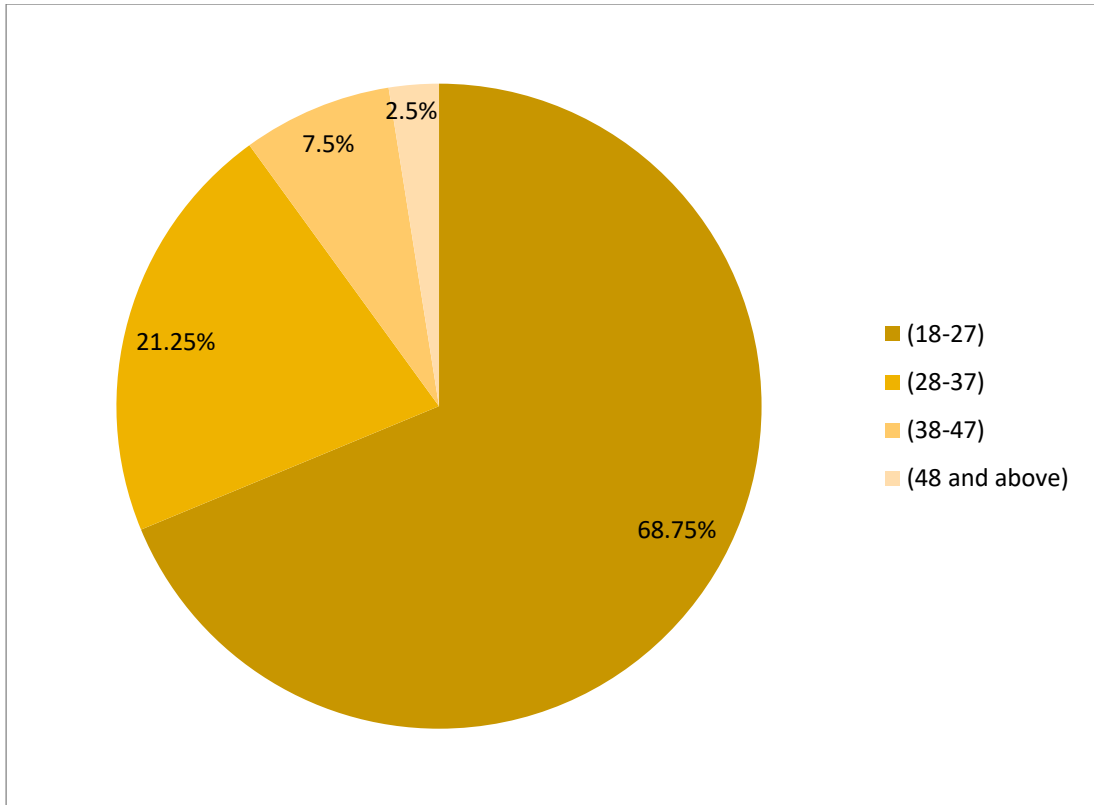


Figure 3.1

Interpretation: Data have been collected from 80 respondents from which 55 respondents are between the age group of 18-27, 17 respondents are between the age group of 28-37, 6 respondents are between the age group of 38-47 and lastly 2 respondents are 48 and above.

Table 4

Previous experience of visiting tourist places			
	Frequency	Percentage	Cumulative frequency
Yes	77	96.25	96.25
No	3	3.75	100
Total	80	100	

Interpretation: Data has been collected on travelling plans of the respondents. The frequency denotes the number of people who have and who have not visited any tourist place in and around Kohima. 77 respondents out of 80 have visited several tourist places in and around Kohima. So majority of the respondents came become a target market for the Bicycle rentals.

Table 5

Frequency of visiting tourist places			
	Frequency	Percentage	Cumulative frequency
Once	7	8.75	8.75
Twice	42	52.5	61.25
Thrice	12	15	76.25
More than the above	19	23.75	100
Total	80	100	

Interpretation: Data has been collected on visiting tourist places taking a period of one year as base. The respondents were requested to express their opinions. Out of 80 respondents 7 respondents have visited tourist places one time and 42 respondents have visited tourist places two times and 12 respondents have visited tourist places three times and lastly 19 respondents have visited tourist places more than thrice.

Table 6

Interest in renting a bicycle			
	Frequency	Percentage	Cumulative frequency
Yes	48	60	60
No	14	17.5	77.5
Maybe	18	22.5	100
Total	80	100	

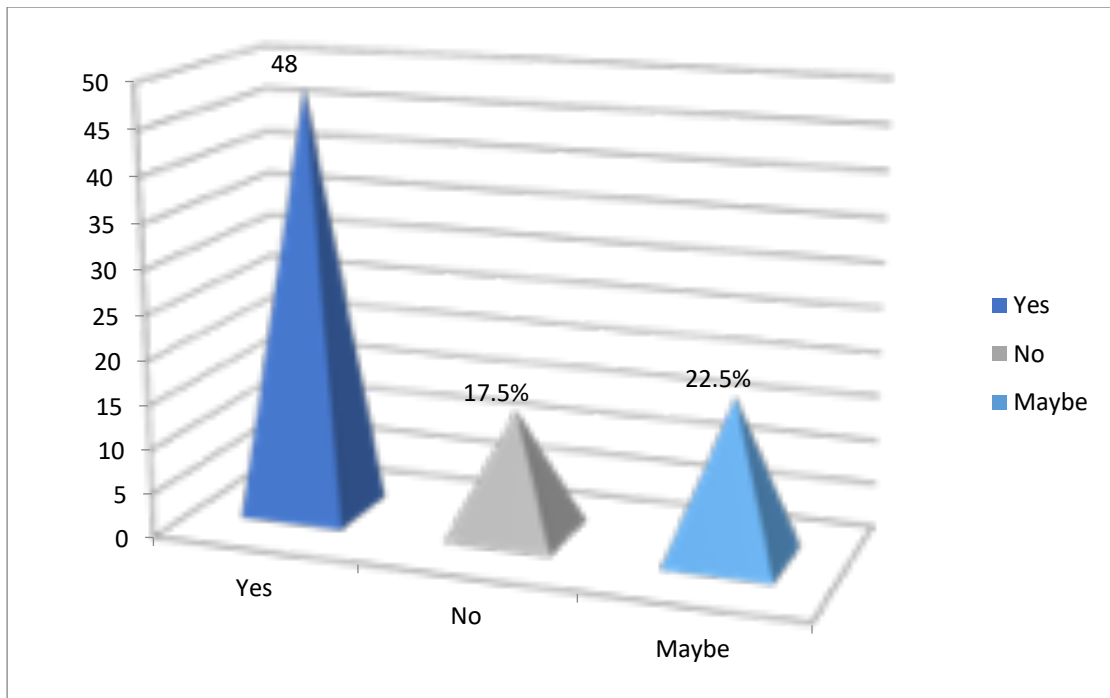


Figure 6.1

Interpretation: Data have been collected on the interest to rent bicycle, out of 80 respondents 48 of them have expressed their interest towards renting bicycle. 14 of the respondents showed that they are not interested in bicycle rentals.

Table 7

Reasons for renting			
	Frequency	Percentage	Cumulative frequency
For enjoyment and adventure	51	63.75	63.75
For fitness and health purpose	6	7.5	71.25
To learn how to ride bicycle	23	28.75	100
Total	80	100	

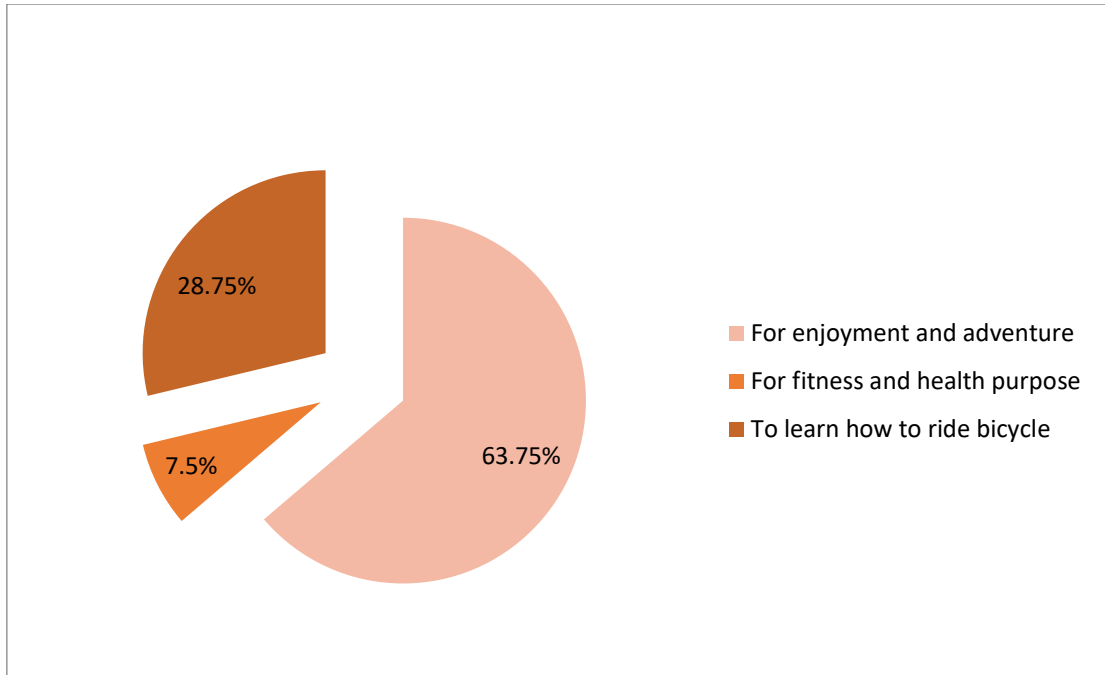


Figure 7.1

Interpretation: Data have been collected on the respondent's reason for renting bicycle and out of 80 respondent's 51 of them expressed their views that they would rent bicycle for touring, enjoyment and adventure purpose. 23 of the respondents would rent to learn how to ride which in future have a chance to be in the first category.

Table 8

Reasons for not renting			
	Frequency	Percentage	Cumulative frequency
I have no reason for not renting	36	45	45
I am worried for causing damage to the property (lead to repair fees, extra fine,etc.)	17	21.25	66.25
I don't know if the bikes are available	7	8.75	75
I am nervous or shy	20	25	100
Total	80	100	

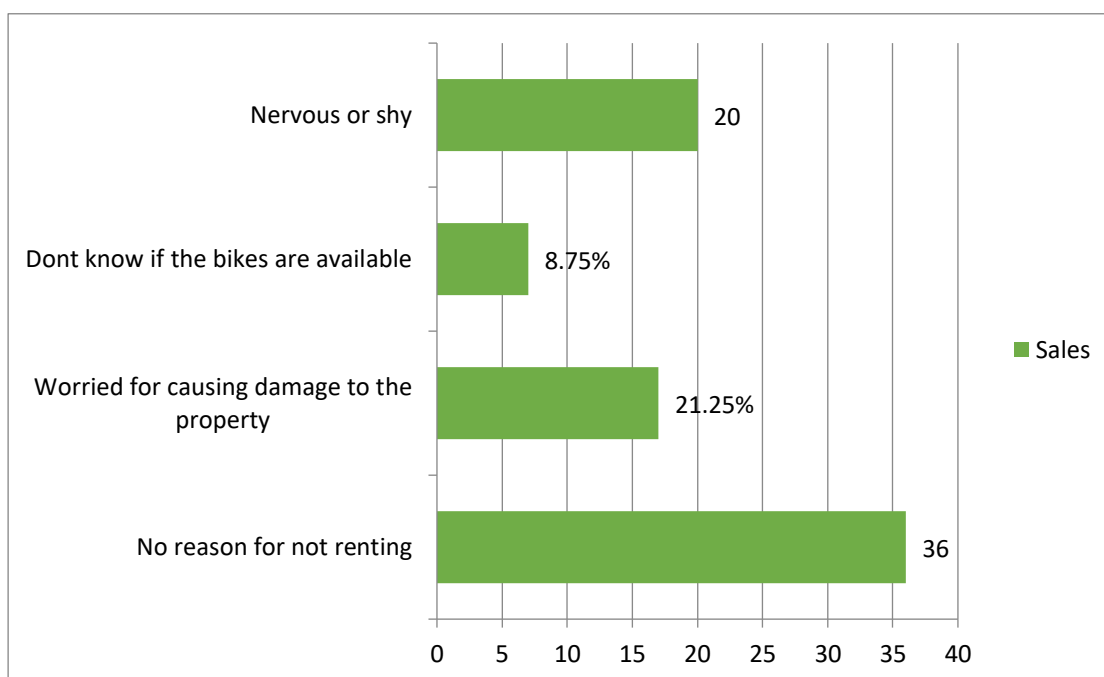


Figure 8.1

Interpretation: Data have been collected on the reasons for not renting a bicycle, out of 80 respondents 36 respondents gave their opinion that they have no reason for not renting a bicycle. 17 respondents gave their view that they are afraid to cause any damages on the bicycles and pay for repairs. 20 respondents expressed their view that they are hesitant or nervous to rent bicycles which could be a factor of the introvert personalities.

Chapter-3

Conclusion

3.1 Findings

The purpose of this study is to identify the current situation of bicycle rental business in Kohima through data analysis and to find ways to improve it. For this purpose, we analyzed the open data set provided by the bicycle rental firms and the typical data which is the citizen opinion of the customers in the city. As the result, it was found that it is an ideal to install a bicycle rental shop in Kohima.

There are not many bicycle rentals in Kohima. The existing bicycle rentals are rarely recognized by people since it is a fresh business in the region. Unfortunately it was not possible to find and extract information from every existing bicycle rentals. According to the study, a capital of Rs. 1,00,000 to Rs. 4,00,000 was required to acquire 8 to 10 fleet of bicycles and other assets. Their potential earnings can be estimated to an amount of around Rs. 1,50,000 to Rs 4,00,000 annually. It is definitely a favourable business choice in terms of profits since there is almost no competition and that gives high opportunity to obtain high share in the market. Through several researches, it is found that in other cities like metro cities, 'Licensing' is a problem start up businesses has to face. But fortunately there is no such policy yet in Nagaland, any person who has capital, a fleet of bicycles can open a rental business without any restrictions.

Bicycle tourism is becoming more popular in today's time. Many youth's are attracted to adventures and travelling. Cycling is one of the best options to go for as an adventure. Youth are the main targets of the bicycle rental businesses. Flyers and posters, attractive advertisements on social medias, etc. are used to reach out more customers.

3.2 Suggestions

- ❖ Youth are showing interest towards bicycle rentals. So they are the main target group of the bicycle rentals.
- ❖ GPS should be installed in every bicycle for asset protection.

- ❖ Bicycle should be rented after taking the original identity proof of the customer.
- ❖ Tracking unit should be installed for 24/7 trace.
- ❖ High-end bicycles should be rented for attracting youth
- ❖ Rent fee should be not be too high nor too low that profit is always minimum.
- ❖ Promotional activities should be effective and consistent for a start up to attract many customers.
- ❖ As the competitors are very less in Kohima, there is a high chance of occupying high market share.

3.3 Conclusion

Cycling is considered one of the best activities to stay healthy. Along with various benefits, it is a green way to commute from one place to another. Since bicycle rental business firms in Kohima are fresh and newly set up, and the demand for renting bicycle is going up every year. Every year more getting into cycling and tourism. It is a high cash earning opportunity for the fresh start ups in the near future. However, there are also challenges faced by the firms which sometimes slow the operation of the business. Repair and maintenance is the only major factor to work on. But the benefits of running a bicycle renting business is more favorable than the challenges.

According to the research, more than 60% are from the age of 18-27 who are very adventurous and very much interested in cycling. Youth are the major target of bicycle rentals. From the few samples collected, majority of the respondents especially the youths are interested in visiting tourist places on bicycle. There are also a good number of people aging from 28 and above who might have an interest towards renting a bicycle. Since cycling is becoming more popular in Kohima, business like cycle shops, and rentals, will increase in the near future and more people will be engaged in cycling.

Bibliography

Michal Roman and Monika Roman (2014) “Bicycle Transport As An Opportunity To Develop Urban Tourism- Warsaw Example”.

Jay Panchal, Bhandhan Bhandhu Majumdar, V.Vinayaka Ram, and Debasis Basu (2019) “Review on factors influencing bicycle-metro integration”.

❖ <https://www.eastmojo.com/news/2020/07/28/kohima-smart-city-launches-cycle4change-campaign/>

❖ <https://www.sciencedirect.com/science/article/pii/S187704281405469X/pdf?md5=5bd7cfd823ebedeabaf6f4723a2d6e2b9&pid=1-s2.0-S187704281405469X-main.pdf>

❖ www.google.com

APPENDIX

Questionnaire

Name-

Gender-

Questionnaire to Bicycle Rentals in Kohima (Please tick to answer)

- 1) What is the name of your business/ company?

- 2) When did you start your business?

- 3) What is your start up cost/ capital investment?
a) 1,00,000 to 5,00,000 b) 5,00,000 to 10,00,000 c) 10,00,000 to 15,00,000

- 4) How many bicycle assets do the company own?
a) 1 to 10 b) 10 to 20 c) 20 to 30

- 5) Approximate profit of the business for the last few months /year
a) 1,00,000 to 5,00,000 b) 5,00,000 to 10,00,000 c) more than 10,00,000

- 6) Do you think your business is doing well?
a) Yes b) No

- 7) How many employees/ staffs are there?
a) None b) _____(fill the blank)

- 8) How do you advertise your business?
a) Newspaper b) social media c) flyers /posters d) others
- 9) Do you face problems with advertising?
a) Yes b) Not much c) Yes a lot
- 10) Do the seasonal changes affect the business's profits?
a) Yes b) 100% c) Not much
- 11) Which season/period is more favourable?
a) Winter b) Summer c) Rainy season
- 12) How much do repair and maintenance affect the business?
a) Not much b) Quite a lot c) Not at all
- 13) Customer behavior in using the bicycles affect the business badly.
a) Highly agree b) Agree c) Disagree d) Highly disagree
- 14) Rate the performance of your business.
a) Stable b) Very good c) Struggling d) Slow but promising
- 15) Do you want to expand your business in future?
a) Maybe b) Definitely c) No

Questionnaire to target respondents

- 16) Which age category are you in?
a) 18-27 b) 28-37 c) 38-47 d) 48 and above
- 17) Have you visited various tourist places in Kohima?
a) Yes b) No

- 18) How many times have you visited tourist places?
a) Once b) Twice c) Thrice d) More
- 19) Have you done cycling before?
a) Yes b) NN
- 20) Have you visited tourist place on bicycle?
a) Yes b) No
- 21) Have you rented one before?
a) Yes b) No
- 22) Are you interested in Cycling?
a) A little bit b) Very much interested c) Not interested
- 23) Are you interested in renting one?
a) Yes b) No c) Maybe
- 24) If Yes, why?
a) For enjoyment and adventure
b) For fitness and health purpose
c) To learn how to ride
- 25) If No, why?
a) I have no reason for not renting
b) I am worried for causing damage to the property
c) I don't know if the bikes are available
d) I am nervous and shy
- 26) Importance of price of renting a bicycle.
a) Very Important
b) Important
c) Neither important nor unimportant
d) Not important

27) Importance of brand of the bicycles.

- a) Very important
- b) Important
- c) Neither important nor unimportant
- d) Not important

28) Importance of color of the bicycles

- a) Very important
- b) Important
- c) Neither important nor unimportant
- d) Not important

