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incentives

## Commentary: A Singapore free from errant bike parking? Yes, with incentives

Bike sharing has gotten off to a strong start but errant bike parking has given it a bad name. Singapore Management University's Pradeep Varakantham suggests to shape cyclists' behaviour through a mix of incentives.

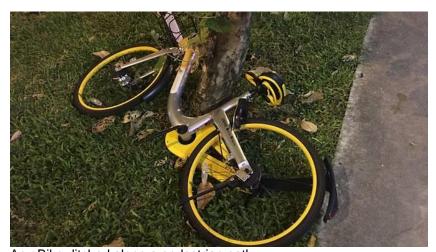


Shared-bikes indiscriminately parked near Holland Village.

SINGAPORE: After a late start, bike sharing has gotten off to a strong start in Singapore, with multiple bike-sharing companies offering bikes in prime areas and at attractive prices.

While Singaporeans have taken a shine to using bikes for last mile transport, the errant parking of bikes has become a major issue.

Just last week, the Land Transport Authority said 62 bicycles from three bike-sharing companies were impounded for obstructing footpaths in a week-long operation.



An oBike ditched along a pedestrian path.

The trouble is - errant parking is not a phase and will likely continue for many reasons.

First, given the flexibility and comfort (of not having to walk long distances), users of bikes will always have an immediate incentive to drop the bikes at odd places (before supermarkets, bus stops, along the seaside, along a busy road for instance).

Second, instead of consolidating in an incremental fashion, each bike-sharing company has made their bikes available in many areas, resulting in bikes spread out all over the place and making it difficult and expensive to reposition them back to "relevant" locations.

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Third, the current GPS technology for detecting whether a bike is parked in the right place is imprecise.

If someone parks at an invalid location near a parking box, such as the road near a parking box at a bus stop, apps consider the location to be valid and the bike-sharing company will not be alerted to the indiscriminately parked bike.

Fourth, bike-sharing companies typically employ trucks that go around and reposition bikes in an ad hoc manner. This is neither an effective nor efficient way to address errant parking.

Finally, unlike in countries like the Netherlands where there is a strong biking culture, with clearly demarcated bike lanes and bike parking locations at every building, Singapore is just getting started on this widely popular last mile transport method. It's still a long way away from cycling being a way of life that our amenities and attitudes have adjusted to.



Bikes outnumber people in The Netherlands with an estimated 22.7 million cycles for 17 million people. (Photo: AFP/TIMOTHY CLARY)

## **USING INCENTIVES**

In my past research, I have studied the use of rewards and penalties to minimise loss in bike-sharing systems. Research suggests that the use of incentives and means to strengthen awareness about appropriate bike-sharing norms can significantly shape behaviour.

In my opinion, five measures can help address the issue of errant parking:

- 1. Penalise customers for errantly parked bikes. With more precise methods of triangulating bike locations coming on stream, bike companies should use the cost of renting a bike to incentivise cyclists to park their bikes properly. Methods include charging money upfront with a refund when the bike is secured (similar to carts at supermarkets) or by charging a fee for errant parking.
- 2. Penalise bike-sharing companies for errantly parked bikes. We should continue with the penalisation of companies to incentivise them to shape cyclists' behaviour. In this regard, the S\$500 fine per errant bike imposed by LTA, coupled with the confiscation of bikes, is a step in the right direction.
- 3. Reward cyclists for good behaviour. Bike-sharing companies should have loyalty programmes where customers who park bikes at right locations and provide information on errantly parked bikes are rewarded.
- 4. Reward those who help reposition errantly parked bikes. Bike sharing companies should consider posting tasks for moving errantly parked bikes and providing reward once the task is completed. This would allow companies to harness their crowdsourcing platform and tap on cycling enthusiasts to aid in promoting a responsible bike-sharing culture. This could help build a self-sustaining ecosystem, where users and bikes help move each other around, without the use of fossil fuels and large trucks that have to go around the island doing so.

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5. Increase public education of what defines errant parking. While the LTA has confiscated bikes that posed an obstruction to commuters and pedestrians, and Singaporeans seem to have a general idea of what constitutes errant parking, clear guidelines and a public education campaign might be helpful.



Bicycles impounded by LTA for indiscriminate parking. (Photo: LTA/Facebook)

## FINDING THE WIN-WIN SITUATION

No doubt there will be challenges in shifting towards such an incentive structure. For one, bike sharing is a low-margin business, which is one of the reasons why there is considerable government support for bike sharing in many countries in Europe (like France and Finland).

Therefore, levying huge penalties on bike-sharing companies for errant parking may force them to significantly scale back their footprint in Singapore.

Since bike sharing is still a novel concept for Singaporeans, introducing big penalties can also take the sheen off the activity and temper demand for bikes.

These forces might ultimately combine and lead to further market consolidation in the bike-sharing sector. While monopoly is not the desired outcome, having two or three big companies can be good for the customer while helping bike-sharing businesses remain profitable.

Bike sharing is healthy, pollution free and inexpensive, so it is a win-win situation for customers, companies and the Government if bike-sharing systems are self-sustainable and devoid of errant parking issues.

With the right mix of incentives, improved awareness among customers and continued support from the Government, I am confident Singapore can realise our bike-sharing ambitions.

Pradeep Varakantham is an associate professor at the Singapore Management University's School of Information Systems.

Source: CNA/sI