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Startup Zagster aims to be the Zipcar for bikes

By Barb Darrow

Zagster aims to bring shared bikes to a campus, apartment complex, or hotel near you. The startup (once called CityRyde) just signed Cisco and Hyatt Hotels to install its shared bike service in their locations, CEO Timothy Ericson told attendees of TechStars Boston Demo Day.

[Zagster](#) is aiming to bring the shared-bike model to a campus, apartment complex, or hotel near you — and let you ride for free.

The startup, once known as CityRyde, just signed Cisco and Hyatt Hotels to install its shared bike service in their locations, Zagster CEO Timothy Ericson told attendees of [TechStars Boston Demo Day](#) on Thursday. The company, which recently relocated from Philadelphia to Cambridge, Mass., already manages bikes at 56 locations nationwide and is consulting with Boulder, Colo., Fort Lauderdale, Fla., and Rio de Janeiro on biking programs.

Ericson sees Zagster as complementary rather than competitive with city bike sharing services like Boston's [Hubway](#) which has been, by most accounts, a big success. ([Alta Bicycle Share](#) runs and maintains Hubway for Boston and several surrounding communities. Chicago and Chattanooga, Tennessee also signed with Alta.)

“We actually have more interest from clients in cities that have bike sharing programs like Hubway [which have different use cases.] Bike sharing systems are all about very short trips that are one way. Ours are for longer trips, commuting, etc.” Ericson said.

Zagster provides and maintains the bikes, and manages their use, charging the owner of the facility \$100 per bike per month— and claims 50 percent gross margins. Use of the bikes themselves will be free to the end user, who reserves it online and unlocks it with a mobile phone, he said.

“We see bikes as analogous to the pool or gym at these properties,” he said. The benefit to the customer is that Zagster maintains the bikes and storage area — eliminating the eyesore of bike racks which often become graveyards for broken, vandalized or abandoned bikes. Just as [Zipcar](#) has become a much-sought amenity for urban professionals looking for places to live, he thinks Zagster will influence people looking for apartments or office space. “We think Zagster will be like Zipcar and become a factor in deciding where they live, work, and visit,” he said.

Figuring in the total U.S. market of national apartment complexes, corporate or school campuses, and hotels/resorts, the total addressable market for shared bikes is \$1.4 billion, he said. Zagster is seeking \$650,000 in funding, with \$350,000 of that committed.

Bike sharing is nothing new. Hubway has been around for more nearly a year in Boston, Somerville and other areas. [Spinlister](#), a New York startup, helps people list and find bikes for rent. What looks different here, is that businesses — the apartment and hotel chains — will foot the bill so their renters/guests ride for free.

That is an interesting model.