



Rad Power Bike is making electric commuting accessible with Affirm

Attracting a new, everyday consumer through alternative payments

Martin Malloy

[Rad Power Bikes](#) is attracting a new, everyday consumer through alternative payments

Through its direct-to-consumer business model, Rad Power Bikes is making the increasingly popular electric bike more accessible to the everyday consumer. The company chose to bypass third-party dealers, avoiding retail markups on its motor-assisted, battery-powered bicycles. This means Rad Power can price its product in the \$1,500 range, compared to competing models, which tend to retail at triple the price.

The goal to increase accessibility & affordability

Despite this price cut, Rad Power Bikes recognized that a \$1,500 ebike remains a costly purchase that, for most prospective buyers, requires financial planning. To drive forward their mission of increasing accessibility, Rad Power Bikes partnered with Affirm—which gives consumers the flexibility to make simple monthly payments—so even more consumers can redefine their commutes.

Rad Power Bikes says that when they learned about Affirm, they weren't sure whether a new payment option would drive conversions. But it was Affirm's ability to unlock new customers—someone with a real need or want for the product, but who isn't able to responsibly spend \$1,500 all at once—that prompted them to move forward.

The proof is in increased sales & new customers

When the company quickly saw its sales volume increase, it confirmed their interest in Affirm as a more than just a financing solution. Affirm's smooth checkout flow, lack of fees, and clarity of total cost was—and is—giving more consumers the financial confidence to buy now. Customers were quick to take advantage of the option to finance, and Rad Power Bikes began to see orders come in from parts of the country it hadn't previously touched. In fact, nearly a quarter of their December 2016 sales were financed with Affirm, and as of Q1 2017, Rad Power Bikes has seen a 21% increase in sales.

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Rad Power Bikes offers financing as low as 0% APR via Affirm, recognizing that doing so encourages customers from diverse credit backgrounds to make the decision to purchase. By promoting these terms broadly across their site, Rad Power Bikes has found that Affirm, sometimes perceived as just a payment tool, actually functions quite effectively as a marketing tool. “The Affirm solution has honestly been one of the greatest marketing tools that we've had as a company,” said Ty Collins, Rad Power Bikes' VP of Marketing & Sales. “It's allowed us to position our bikes as something that's an even more attainable and affordable option for people.”

Affirm functions effectively as a marketing tool

The electric bike's popularity has exploded in recent years, and with increasingly powerful motors, will only continue to become a more common means of transportation. Ebikes allow someone who would otherwise drive a car to brave their daily commute on two wheels—a switch that brings enormous environmental benefits as well as convenience. But they're not just for commuters—RPB's products are also popular among customers who use their ebikes for leisure.

As more cities develop alternative transportation infrastructure, Rad Power Bikes is making the transition from driving a car to riding a bike that much simpler. Through their direct-to-consumer distribution and partnership with Affirm's pay-over-time financing, Rad Power Bikes is acting on its mission to make ebikes accessible to all.



Martin Malloy
Writer

Martin has a passion for connecting with audiences through narrative storytelling and has built a career doing just that. When he's not helping people with financial responsibility, you can find him writing and performing music around the Bay Area.