

Intelligent lock suppliers for OFO said that OFO owed service fee in unpaid expense over half a year.

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There is a media reports that one of the intelligent lock with internet communication service suppliers said that due to OFO's unpaid-service-fee over half a year, supplier will cut the service for 3 million OFO's bikes and those bikes will not be able to be located or maintained or remote-upgraded and password will be out of order which will cause that it will not stop charging even after locking-up.

It means 3 million OFO's bikes might faced with signal lost.

However, relevant responsible person of OFO has not responded to such issues.

It is another crisis event after contractive overseas business. According to incomplete statistics , OFO has closed bike-sharing business step by step in Australia and Berlin since July. It is reported in Daily Wall Street that OFO would fire most of workers in America and withdraw them to a few big cities and its business in the north of America has been closed since several weeks ago. At earlier time, there were some news saying that OFO had been out of India and Israel. However, OFO announced its new overseas market strategy on 6th July which was its' second-stage of overseas business, focusing on developing key markets which are large

scale or growing rapidly such as Singapore, America and France.

OFO officially concluded this action as Overseas Strategy Adjustment while Li chengdong, famous internet analyst, thinks that the reason of withdrawing is no profit.

2018 is the year of shuffle for bike-sharing industry. Instead, sharing bikes with various colors are gone. Bankruptcy of enterprises and founders and no deposit-return leaves cities a wake of dead bodies.

It only takes one year from heaven to hell. With Meituan acquiring Mobike, the merger and acquisition between Hellobike and Youon and Didi taking over Bluebike, it all points out that burning money in bike-sharing industry is not sustainable any more. The way out seems like one and only: seeking for capital.

Bike-sharing enterprises can not live without the support of capital before they finding good benefit mode. However, financing in bike-sharing industry is not much since 2018. There is a source said that Hellobike will soon be financed of 1 billion dollars by Ant Financial and FOSUN and so on. Besides, there soon will come big investors.

Although Hellobike ignored such news, it is still becoming a dark horse with the help of Alibaba. In fact, OFO once was appreciated by Alibaba and Ant Financial also had invested OFO before the investment in Hellobike.

People who are related to Ant Financial said that the investment of Ant

Financial tended to be more like a strategy investment, which means investors hoped to discuss a better operating mode together and output Ant Financial's ability such as deposit-exemption ability of Alipay. One of the significant performance is that Hellobike has accepted deposit-exemption strategy through the access to Alipay. It has become a trend of deposit-exemption after users losing trust in deposit. And this strategy has brought a amount of users to Hellobike. Reflecting on OFO, it has cancelled deposit-strategy. Although Alipay once offered the access for OFO, users still had to pay deposit. Although OFO defines it as creating its own credit system, the difference from complete deposit-exemption of Mobike and Hellobike is that OFO is promoting monthly-cards system.

“Due to the bad overall situation and weak demand in the whole market, there is no increase in market in bike-sharing industry. Besides, administration cost has been increasing and the degree of Chinese government's supervision has intensified, it all caused that market has transferred its expansion to obvious contraction, including overseas market contraction.” Li chengdong, the famous internet analyst, told to Business Management Review.

“Capital starts to become calm and cautious. Normally, they only invested head enterprises.” Xu jingyue, the associate professor of business school of RUC (Renmin university of China), told to Business Management Review.

With the status that bike-sharing can not find better profit mode and capital contraction, it seems like the best way of financing for enterprises is users' deposit.

What OFO is facing with now is the constant business expansion of competitors and its own business contraction. "The significant performance of contraction is the reduction of enterprises in industry and fewer orders and the decrease of delivery, meanwhile political opinions are less-favorable, the whole industry is now in downturn but Hellobike is a dark horse." Li chengdong said.

From Li chengdong's perspectives that OFO might will be weeded out and he said " It comes elimination period that small bike-sharing enterprises have been weeded out and even there will be the same day for OFO. Although the biggest three enterprises in industry are OFO, Mobike and Hellobike, Hellobike has speeded up in the lead so there might be a chance for OFO and other bike-sharing enterprises being eliminated."