

Ofo's other business

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“You wanted a bike. Now, pedal. But not before you give us your credit card and let us know where you’re going. Welcome to the digital (and sustainable) age of mobility on two wheels.”

This is how **Alfredo Faieta** began his article in Sunday’s edition of *Espresso*, entitled *The Italian Alibaba*.

On the same day, in *Nova24*, the insert of the newspaper *Il Sole 24 ore*, **Marco Gervasi** published an article entitled *The bicycle becomes a platform: models for making the most of data*.

In their analyses, both **start with ofo, the bike-sharing company, which has recently come to Italy and to Varese**. The two articles have different tones and targets, but both present considerations about the real reasons for the Chinese company’s commitment.

“According to the **official website**, ofo (without the capital letter, according to the company, *ed.*) has put **more than 10 million bicycles in 180 towns, in 16 countries**: China, Singapore, the United Kingdom, the USA, Kazakhstan, Malaysia, Thailand, Austria, Japan, Russia, the Czech Republic, Italy, the Netherlands, Australia and Spain. The platform generates more than 25 million transitions every day, and the 200 million users worldwide have already travelled more than 4 billion efficient, affordable and sustainable journeys.”

The article by Faieta focuses on the business of Alibaba, which, according to the **official release of 6 July**, was “one of the main investors in the recent loan and which believes in ofo’s potential growth.”

“They’ve redefined short distance commuting, making it possible to travel with low gas emissions, offering value to users and to society,” said **Joe Tsai, Executive Vice Chairman of the Alibaba Group**. “ofo is the leader in this sector and we support their open platform strategy. We’re looking forward to working closely with the ofo team, to exploit the potential of the bike-sharing sector to the full.”

“Behind the useful service that ofo provides at the cost of a few cents, there is Alibaba’s great insight,” **Faieta wrote in Espresso**, “They would gather a huge amount of sensitive data from users (everyone’s credit card details and email addresses), and geolocate consumers. They know where we are, where we go, and when we do it. All of this will enable them to exploit this micro information commercially, to discover our preferences and then to integrate – as a seller – into the big, personalised, online sales market.”

The perspective chosen by Marco Gervasi, who for some time has dealt with computerisation and the Asian markets, was **different**. He spoke of “virtuous examples from China. But among the Italian small and medium-sized businesses, there are already those that have understood the lesson.”

According to his article, “Mobike and ofo are the largest bike-sharing companies in the world. With investments from Chinese Internet giants, such as Tencent and Alibaba, they each have more than one hundred million users, and are valued at more than a \$1 billion. (...) Both have introduced a bicycle into a digital ecosystem, creating a business that has much more value than the original one. Mobike and ofo

are not simply connected bicycles, but a platform for many other things: their real business is not renting, but the services that Alibaba and Tencent can sell to users thanks to the collection of data on commuting, on shopping habits and on spending and credit capabilities. In Milan and Florence, for example, ofo and Mobike are already mapping people's movements."

Two weeks after the launch of the ofo service, also in Varese, **the two articles are very interesting reflections on scenarios that until a few seasons ago would have been seen as science fiction.** Italy greatly behind in computerisation, but in spite of this, it is still an important country in international scenarios, so much so that it has become a trial territory.

Many will put their noses up at the idea that their data will be used by these multinationals. In fact, it is nothing more than a step closer to an increasingly connected society, that pays a high price to have free, or nearly free, services. Just think about Google maps or WhatsApp, which are now used by almost all smartphone owners.

Interpreting ofo's presence in this way significantly changes the scenarios that, for days, have fed the debate about people's more or less civil behaviour. Of course, it is an important topic, but there is another level to be studied, known and reflected upon.

Marco Gervasi looks with optimism at the development also in our country. "Computerising a factory at an affordable cost has become a reality in Italy," he writes in Nova24, "but computerisation is not the only value of Industry 4.0. Connecting a bicycle is not enough to create a business. Just like in China, where bicycles have become a platform that's been introduced into a system, where data is exchanged to create synergies and new products and services, the factory must be introduced into an ecosystem that is connected to adjoining sectors where data flows."

Many people have been working on this vision, which is related to the themes of **connected objects and artificial intelligence.**

For this last point, **Rodney Brooks'** article *The Seven Deadly Sins of Predicting the Future of AI*, is very interesting.

"A lot of AI researchers and pundits imagine that the world is already digital, and that simply introducing new AI systems will immediately trickle down to operational changes in the field, in the supply chain, on the factory floor, in the design of products. Nothing could be further from the truth. Almost all innovations in Robotics and AI take far, far, longer to get to be really widely deployed than people in the field and outside the field imagine."

Here is **the original article** on his blog.

So, it will take a long time for a real revolution, but in the meantime we are all warned about the scenarios opening up, including those that are adding a bit of yellow to the town. It is a good service for mobility, an interesting opportunity for the environment and for those who have businesses in and around town, without forgetting that behind ofo, there are precise interests and a giant that is challenging the competitor that we already know. **While we are pedalling, China and the USA are competing over what data to collect. Alibaba and Amazon know all too well that data is the fuel of this period in history.**

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