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MONITOR

A long road ahead of it

Jun 10th 2004
From The Economist print edition

Transport: It was supposed to revolutionise transport and change the world. How is the Segway doing?

WHEN Dean Kamen, an American inventor, unveiled the ultra-secret Segway human transporter in December 2001, it was supposed to herald a transport revolution. It would, Mr Kamen declared, "be to the car what the car was to the horse and buggy". John Doerr, the venture capitalist behind Amazon.com and Google, predicted that Segway, the eponymous company established to build the battery-powered super-scooters, would reach \$1 billion in sales more quickly than any corporation in history. To handle the imminent consumer onslaught, Segway's factory in Bedford, New Hampshire, geared up to build 40,000 units a month.

There was no need, as it turned out. By the autumn of 2003, when Segway voluntarily recalled all the units it had sold to repair a problem that occasionally caused riders to fall off when the machine's batteries ran low, it transpired that only 6,000 of its human transporters had been sold, at an average of \$4,500 each. Predictions that the Segway would prove to be as significant a breakthrough as the personal computer were evidently wide of the mark. The Segway has not, it seems, replaced cars, bicycles or feet.

Not yet, at least. But it is still in its infancy, insists Ronald Bills, Segway's chief executive. Given its limited distribution, he says, selling 6,000 units "was a huge number". Until recently, Segway had only two major outlets: Brookstone Stores and Amazon.com. Mr Bills, who comes from the recreational-vehicle industry, says he is now taking a methodical approach to increasing sales, both by making the machines easier to buy and explaining to customers how Segways can fit into their lives.

When the Segway was introduced, Mr Bills admits, all of the focus was on the machine's technology, not its value. Now the company has opened 17 dealerships in America, and plans to expand to more than 50 by the end of the year. It also has its eyes on markets in Britain, Germany and Italy, all of which are densely populated and environmentally aware. For the first time in history, notes Mr Bills, more people now live in cities than in rural areas. Petrol is more expensive, short trips in large cars make less sense and space is at a premium. Surely a clean, fun and relatively inexpensive machine, on which to make short trips, makes perfect sense?

While their numbers may be small, there are some people for whom the Segway has entirely lived up to the hype. Phillip Torrone, a 28-year-old designer who lives in Seattle, Washington, is one example: indeed, he could be the poster child for the Segway lifestyle.

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Since buying his transporter, he has sold his car and "Segways" (yes, it can be a verb, just like Google or Amazon) to and from his office four miles away nearly every day. The machine has a maximum speed of 10mph (16kph) and works come rain or shine, he says, even in occasional slushy snowfalls, and handles Seattle's famously steep Queen Anne's Hill without a stutter. "For me this replaces 90% of the car trips in Seattle. You can pretty much go anywhere you need to go within four to seven miles," he says. That is the Segway's transportation sweet-spot: distances that are too far to walk, but short enough that taking a huge sports-utility vehicle is overkill.

Mr Torrone uses his Segway to do his grocery shopping, run local errands and fatten his bank account. Because he no longer has any car payments, buys no petrol or insurance and has eliminated the cost of parking, he estimates that he saves around \$650 a month. Mr Torrone was not always a fan, however. It was his wife Elizabeth who originally decided to buy the transporter, and when she did he was sceptical. "Nothing could do everything this machine promised," he remembers thinking. Now he calculates he has travelled 2,000 miles on it in 18 months.

But as Segway users go, Mr Torrone is unusually practical. Most of them are unabashed "early adopters" who like to play with new technologies. They regard the Segway—with its ingenious gyroscopic technology that lets them glide around simply by leaning in the direction they want to go—as a plaything. But the desire to promote and defend the Segway's undeniable technological elegance makes its owners fiercely loyal. Local clubs have popped up across America, and members also swap tips and sing the praises of their transporters on weblogs and online bulletin boards. In March, devotees in 20 cities united to create a national Segway Enthusiasts' Group.

Messages posted on Segway's website and at fan sites such as segwaychat.com gush with praise. "Riding a Segway is a liberating feeling that will tear down boundaries between you and everyone else" says one; "Will we segue from the automobile on to a battery-powered, two-wheeled moving transporter? The future is here. We're ready!" declares another. The Segway, proclaims one fan, "is an automatic facial exercise machine. You can't get on it without smiling!" These are not the sort of comments people volunteer about their washing machines—or even, in most cases, their cars.

But will the enthusiasm of these early adopters, and the new sales outlets Segway is creating, be enough to transform it from a fancy toy to a serious means of transport? At the company's base in Bedford, hope springs eternal. Although Mr Kamen's prediction that cities would have to be redesigned around the Segway shows no sign of coming true, Mr Bills likes to point out that it took decades for people to understand how cars could fit into and then transform their lives. "We are only in year two," he says.

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