Car Sharing – The Voice of the Consumer & Potential Users

Increased Awareness of Car Sharing Concept set to increase uptake

Martyn Briggs,
Programme Manager, Mobility
Automotive & Transportation

World Collaborative Mobility Congress, (WOCOMOCO) May 22nd, 2013

FROST & SULLIVAN

Focus Points of Our Presentation Today

1. Key Outlook & Growth Forecasts in Car Sharing
2. Introduction to Frost & Sullivan Voice of Customer Research
3. Familiarity of Car Sharing Concept & Brands
4. Key Drivers of Car Sharing uptake & impact on car ownership
5. Profile of existing and future carsharing members
6. All inclusive business model – “The winning concept”
7. Peer-to-Peer Car Sharing and its relation with traditional car sharing
8. Key Success Factors for Car Sharing operators
9. Key Conclusions; Q&A

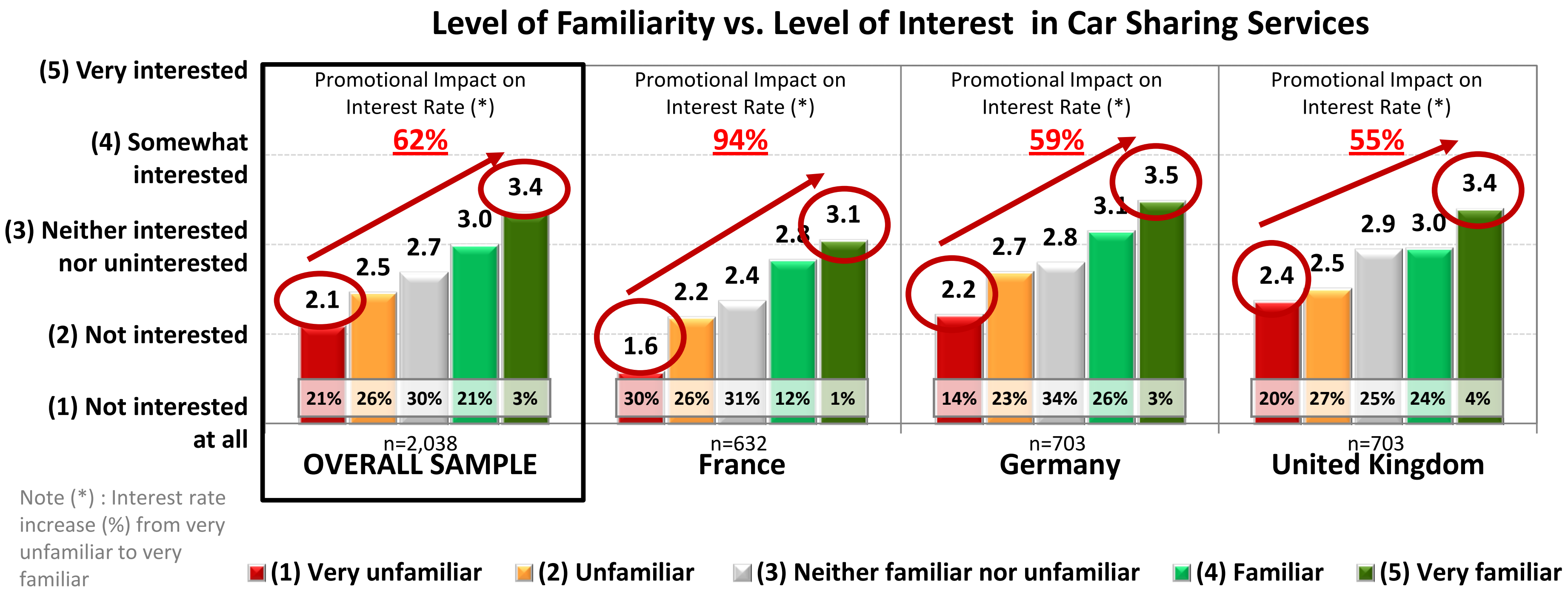
Our VOC Sampled over 2,300 targeted people from the UK, France, and Germany, using Computer Assisted Web Interviews

Split by Country	OVERALL SAMPLE	France	Germany	United Kingdom
	2,348	745	839	764

Split by City & Segment	OVERALL SAMPLE	Car Owners with annual mileage of <10,000km	Car Owners with annual mileage of >10,000km	Non-Car Owners with driver's license
Paris	209	58	59	92
Lyon	181	50	58	73
Marseille	187	58	54	75
Toulouse	168	54	50	64
Total Sample France	745	220	221	304
Berlin	197	60	62	75
Munich	242	61	64	117
Hamburg	190	55	55	80
Cologne	210	56	62	92
Total Sample Germany	839	232	243	364
London	211	51	55	105
Manchester	186	50	51	85
Birmingham	181	50	52	79
Edinburgh	186	55	50	81
Total Sample United Kingdom	764	206	208	350

Source: Frost & Sullivan analysis.

France is the country where raising awareness will have the strongest impact



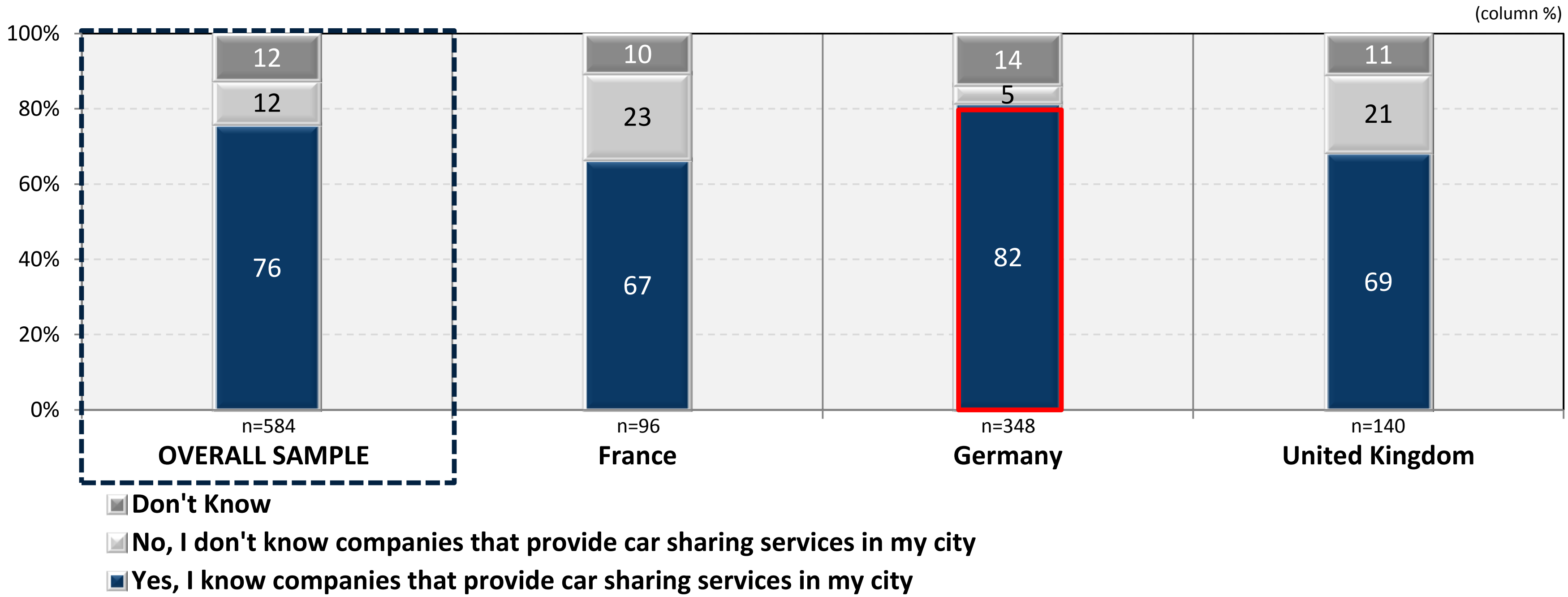
Note (*) : Interest rate increase (%) from very unfamiliar to very familiar

N= 2,038 (Car Sharing Services non members, who provided 1 to 5 rate for both questions)
Q20. How would you rate your familiarity with the concept of car sharing services? (1 to 5 Rating Answer)
Q25. How would you rate your current interest in becoming a member of a car sharing service in your city? (1 to 5 Rating Answer)

Source: Frost & Sullivan analysis.

From the respondents that referred knowing Car Sharing service providers, the majority of them are aware of local providers.

- **German** respondents are the **most knowledgeable** in terms local providers.



- So, even though 24% of our entire sample are aware of Car sharing services, only 76% of them are aware of the companies providing the services in their city

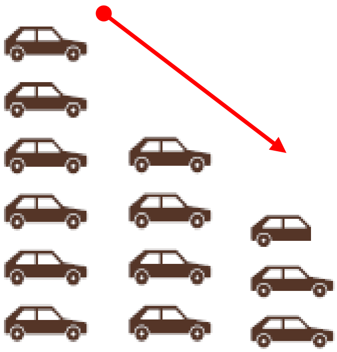
N= 284 (German Non members of car sharing services that know Car Sharing service providers in their city)
Q23. Of which of the following companies providing car sharing services in your city are you aware? (Multiple Responses)
Type of Analysis: Frequency

Driver for car sharing is cost efficiency, barriers are besides attitudinal hurdles operational issues

- **Cost effective alternative** to privately owned car
- and the **absence of hassles of car ownership** are the top reasons for Car Sharing

Cost effective alternative to privately owned car	58
No hassles of car ownership	48
More convenient then using public transport	37
Environmentally friendly way of transport	32
Transparency of costs	30
It would fit my way of living	23
I always have problems finding parking	22
I don't use my private car very frequently	12
Others	8

Decrease in Car Ownership

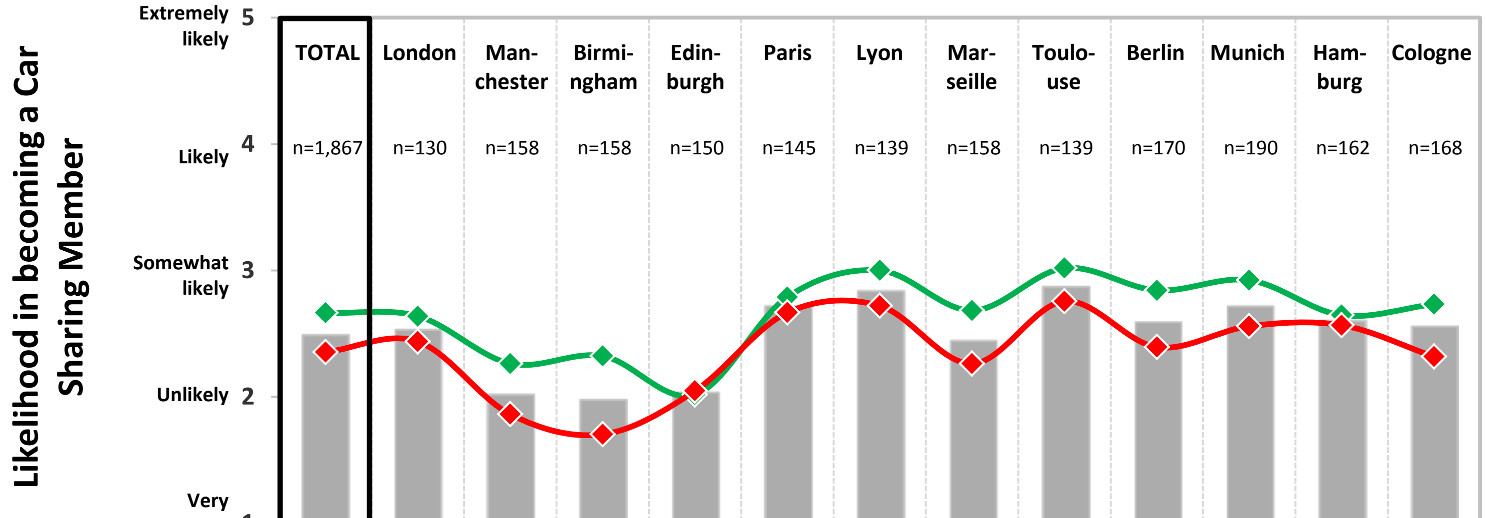


- **More than 40% of the Owners of 1 vehicle** likely to become members of a Car Sharing Service, consider the possibility of **selling/getting rid of the current car**
- **More than 60% of the Non-car Owners** interested in becoming a Car Sharing member **would NOT consider purchasing a new car** in addition to the Membership

Car users who refer to Parking as an issue (difficulty to find and/or expensive), are more likely to adopt Car Sharing

- Except for Edinburgh, there is a clear correlation between Parking (as a frustrating or annoying aspect in car usage - difficulty to find and/or expensive) and the likelihood to become a Car Sharing Member.

Impact of Parking in the Likelihood to become a Car Sharing Member



	TOTAL	London	Manchester	Birmingham	Edinburgh	Paris	Lyon	Marseille	Toulouse	Berlin	Munich	Hamburg	Cologne
Overall Sample	2.5	2.5	2.0	2.0	2.0	2.7	2.8	2.4	2.9	2.6	2.7	2.6	2.6
Car Users who referred Parking as an issue (1)	2.7	2.6	2.3	2.3	2.0	2.8	3.0	2.7	3.0	2.8	2.9	2.6	2.7
Car Users who did not referred Parking as an issue (2)	2.4	2.4	1.9	1.7	2.0	2.7	2.7	2.3	2.8	2.4	2.6	2.6	2.3

(1) Car users who referred “Parking was difficult to find” and/or “Parking was expensive” as a frustrating or annoying parts with using in a car in the past month;
(2) Car users who did not referred “Parking was difficult to find” and/or “Parking was expensive” as a frustrating or annoying parts with using in a car in the past month;

N=1,867 Respondents using Car at least once every two weeks (as drivers and/or passenger)
S9. In the past year, how often have you used the following modes of transportation or transport services? (Single Answer per mode of transport) Q11. What, if anything, were the most frustrating or annoying parts with using in a car in the past month? (Multiple answers) Q32. How likely are you to sign up to a car sharing membership service in future? (rate 1 to 5)

Source: Frost & Sullivan analysis.

Current and future Car Sharing Members are young, highly educated, travel on business, no kids

	Current Car Sharing Members (n=181)	Future Car Sharing Members (n=489)
Age	**53% up to 34 years old** 41% in the age group 25 to 34	**49% are up to 34 years old** 36% in the age group 25 to 34
Gender	**Male** (54% male)	**Both** (56% female)
Business Travel	**Heavy business traveller** (58% travel at several times per month for business)	**Business traveller** (50% travel at least once per month for business)
Car Ownership	**None car owner** (51% do not own a car)	**None car owner** (50% do not own a car)
Education	**High education** (67% with university or post graduate degree)	**High education** (61% with university or post graduate degree)
Household Size	**2 Members** (64% with 2 or less members in the household)	**2 Members** (65% with 2 or less members in the household)
Marital Status	**Married/with a partner without children** (72% without children in the household)	**Married/with a partner without children** (72% without children in the household)

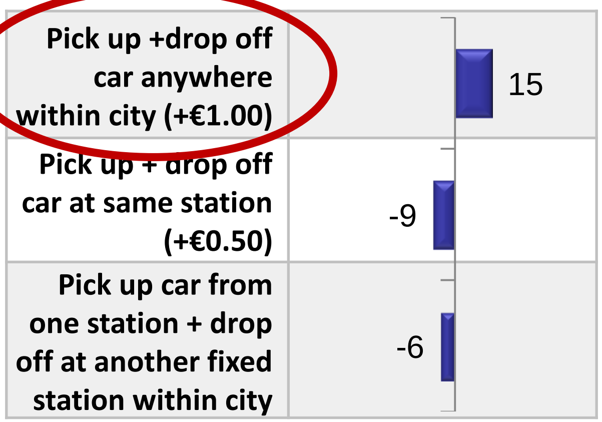
N= Current and Future (respondents who considered likely (4) or extremely likely (5) to adopt Car Sharing Services in the future).
Q17. Are you currently a customer or a member of a car sharing service?
Q32. How likely are you to sign up to a car sharing membership service in future?

Source: Frost & Sullivan analysis.

Selected Attribute Values – Key variables were the price, membership fee, distance to cars, and mileage charges – all for an incremental fee

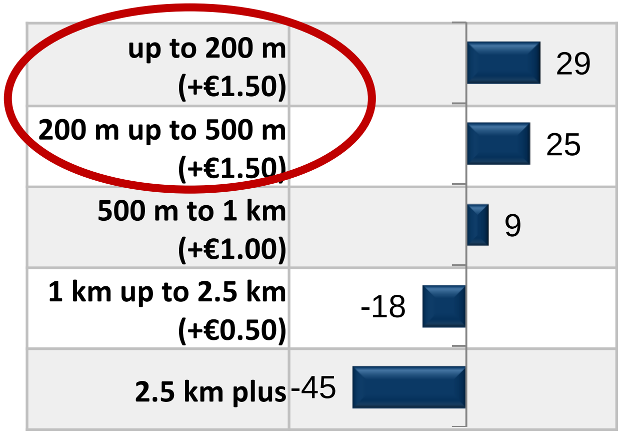
Value of Single Levels

Pick up and drop off



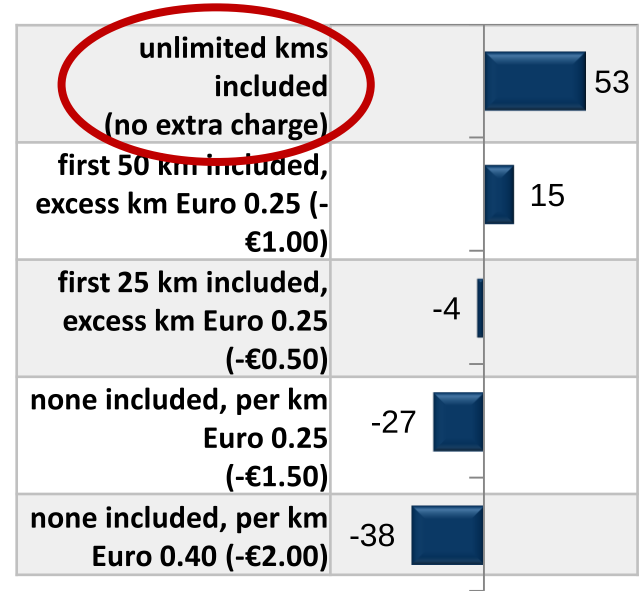
Respondents perceive the highest value in the free floating car sharing model. Ato A and AtoB are getting similar values

Distance to next pick up and / or drop off point or station



A distance to a pick up point of more than 1,000m is perceived as not acceptable, a radius of 500m is valued the highest

Mileage Charge



Clearly respondents value all inclusive mileage the most

Conjoint simulation, N=2,348
Utility= value of each level relative to the others within one attribute.
Utilities can be compared within one attribute only, not in between attributes

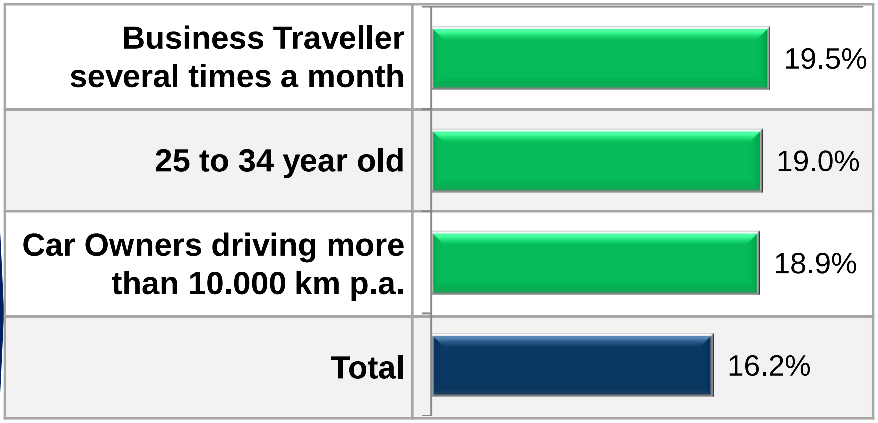
Winning Level

Source: Frost & Sullivan analysis.

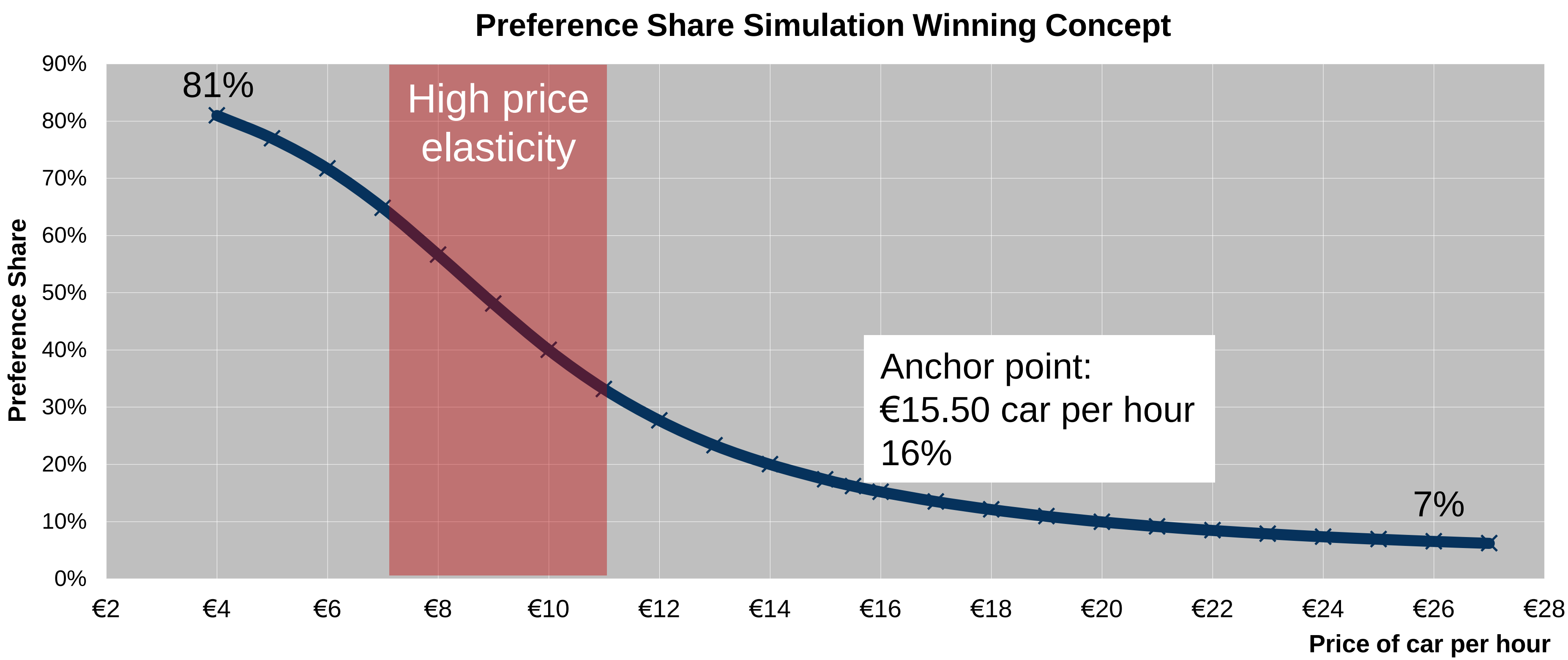
Consumers are most attracted by an all inclusive, convenient car sharing offering

Vendor	Your city public transport operator
Pick up and drop off	Pick up +drop off car anywhere within city
Distance to next pick up and / or drop off point or station	Up to 200 m (in UK: up to 0.125 miles)
Parking	Parking incl. anywhere in city at public parking plus at dedicated parking spots in front of main public transport stations
Pre booking	Not required
Guarantee level for vehicle availability	Always available, 100%
Vehicle type	4 seater only
Vehicle brand	Volume brand, such as Peugeot, VW, Toyota, Hyundai
Engine type	Petrol
Membership fee per year	None, €0
Mileage Charge	Unlimited kms included

The price point of **€15.50 per hour** has the highest **preference share of 16%**



Preference Share Analysis - Winning Concept Price Elasticity



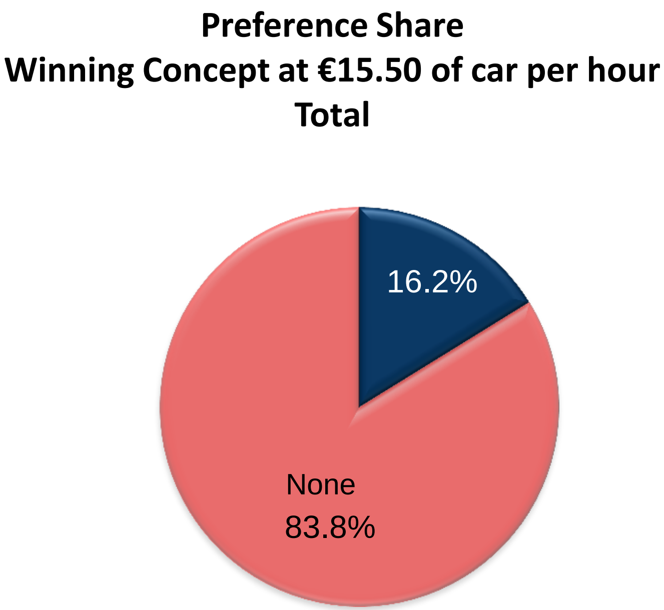
81%	72%	57%	40%	28%	20%	15%	12%	10%	9%	7%	6.5%

Conjoint simulation, N=2,348

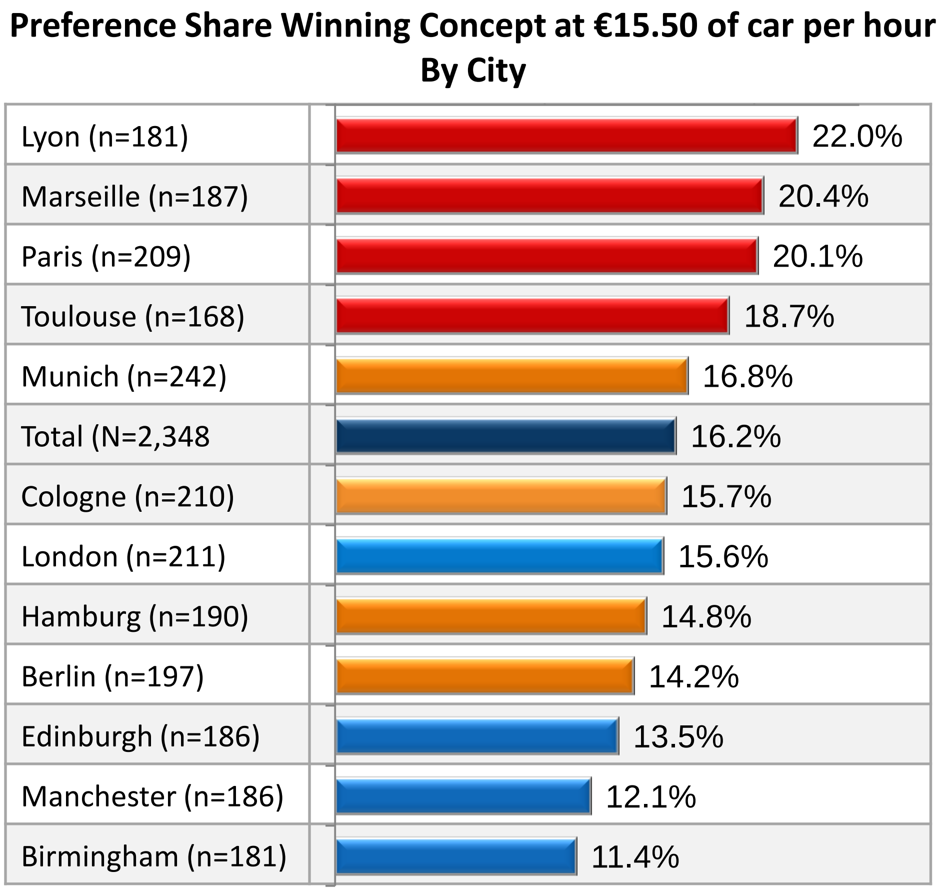
Source: Frost & Sullivan analysis.

At a price point of €15.50, the winning concept would achieve a preference share of 16% overall, but varies by City

- Respondents in the French Cities show the highest possible take up rates



Conjoint simulation, N=2,348



Source: Frost & Sullivan analysis.

Car Sharing Service Members Profile

Interestingly, Car Sharing members drive higher segment vehicles

The Car Sharing Members have a significantly higher number of non car owners, but also car owners driving over 10,000km pa. The car owner members have a higher relative proportion of segment E&F vehicles and are mainly BMW and Audi drivers.

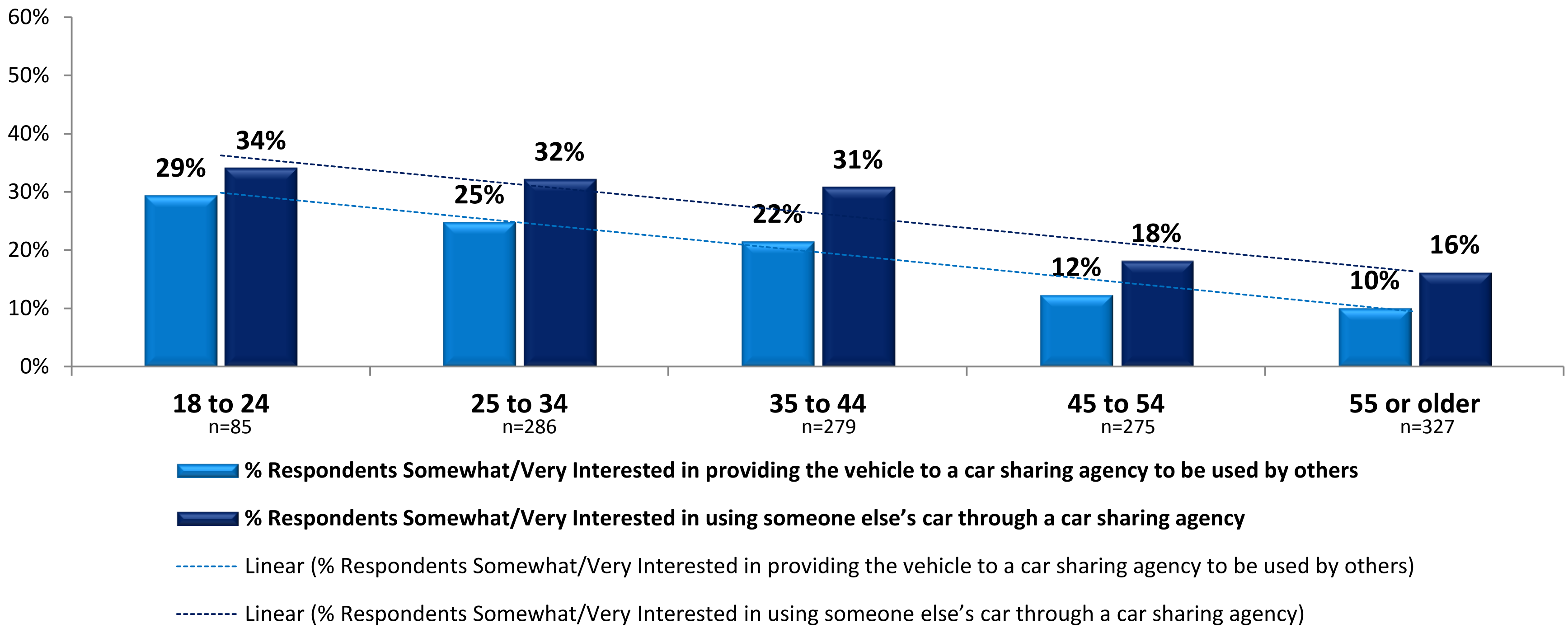
	OVERALL SAMPLE (n=2,348)	Members of Car Sharing % (n=181)	Not Members of Car Sharing % (n=2,116)
Car Owners driving up to 10.000 km p.a.	28	13	29
Car Owners driving more than 10.000 km p.a.	29	36	28
Non Owners	43	51	43
A-Segment (Small)	8	7	8
B-Segment (Basic)	29	24	29
C-Segment (Compact)	32	28	32
D-Segment (Medium)	12	11	12
E-Segment (Executive) & F-Segment (Luxury)	5	19	4
A-Segment (Small)	15	11	15
BMW	6	16	6
Audi	5	10	5
Others	88	74	89

All figures are in percentages

Significantly different on a significance level of 0.05. Tests are adjusted using the Bonferroni correction.

P2P Car Sharing is still in its nascent stage and is expected to co-exist with traditional carsharing

- **The Interest in providing a private car to be used by others is low, specially in the UK**
- **Also the interest in using someone else's car is on a very moderate level, but higher than the interest to providing a private car to the be used by others**
- **In both cases (providing a vehicle and driving someone else's), the interest declines with age**



N= 1,252 (Car owners non members of Car Sharing Services who provided a rate from 1 to 5 in both questions)
Q28. If you were not using your own car for certain time periods in a day/week, would you be interested to provide the same to a car sharing agency to be used by others? (1 to 5 Rating Answer)
Q30. Would you be interested to use someone else's car through a car sharing agency while the car owner is not using the car? (

Source: Frost & Sullivan analysis.

Key Success Factors for Car Sharing Operator

For business travellers it is important to have the **service available** as a countrywide offering (specially in France and Germany)

61% of the interested respondents prefer to access cars stationed within **walking distance** and majority of them consider a walking distance not be longer than **11 to 20 minutes**

52% of the interested respondents prefer **online reservation** and respondents also prefer **reservation through smartphone application**

Despite some differences between countries, the **majority** prefer to use **contact card and key fob** for vehicle access and interestingly preference for **smartphone** as a access technology can be seen **high in Germany** followed by the **United Kingdom**

The **majority prefer a 1-way** (any-to-any) model and the next highest preference is for **2-way with floating stations**

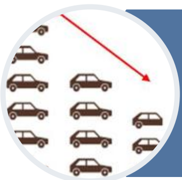
in terms of Engine type (unlike the United Kingdom and Germany) there is a preference for Diesel engines instead of Petrol. Electric and hybrid vehicles are least preferred with a lesser tolerance in France owing to existing electric models

About 70% of the customer’s prefer hatchback, 3-door or 5 door models. Although the preference for sedan is significant, the coupe segment is less preferred

Top 5 Key Findings from the Study

Catch them Young: Well educated, office goers, Youth (age group between 25 and 34), and university students have shown the high level of interest in carsharing

Carsharing has to co-exist with public transportation



More existing urban car owners to give-up ownership after joining carsharing

One-way carsharing with the right pricing and operational model will be the winning concept

Go back to basics of marketing – Familiarity to drive uptake rates

Next UM 3.0 Event – 19 and 20 June 2013

2 Day Workshop First Day hosted in Houses of Parliament as a Parliamentary Debate

http://www.urbanmobility.gilcommunity.com/

Contact Us

F R O S T & S U L L I V A N

Martyn Briggs

Programme Manager, Mobility,

Automotive & Transportation

(+44) 2079157830

martyn.briggs@frost.com

facebook

http://www.facebook.com/FrostandSullivan

slideshare

http://www.slideshare.net/FrostandSullivan

LinkedIn

http://www.linkedin.com/companies/4506

twitter

http://twitter.com/frost_sullivan
http://twitter.com/FS_Automotive
http://twitter.com/BriggsMartyn