

Commercialization of Car-sharing in China



Car-sharing Study Group
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Flexcar staff in Seattle

Contents



- ✓ Research purpose
研究目的
- Car-sharing background information --case of Flexcar
汽车共享背景信息——以Flexcar为例
- Factor recognition of Car-sharing commercialization in Beijing
中国(北京)实行商业化汽车共享的影响因素



Research Purpose



Taking Flexcar model as an example, the study investigates Car-sharing in US, with the success analysis of its organization characteristics and market circumstance. Then based on Beijing situation, we identify the influencing factors of Car-sharing and explore its commercialization.



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What is Car-sharing?



- ***Automobile times in transportation***
Current condition, Advantages Vs. Disadvantages
Ineffective private car utilization

- ***Shift your thinking -- Car-sharing***
A fleet of vehicles are provided to a group of members in Car-sharing program (to ensure or even to extend mobility with fewer cars).

A supplement to public transportation
An indispensable part in the integrated transportation
An alternative to private car (not substitute)



Car-sharing in the USA



- Up to 2003.9, there are **13** Car-sharing corporations and organizations in the united states, while another **9** is under plan and prepare. Right now over **600** vehicles are provided to **25,000** Car-sharing members in all.
- During the period of 08/02~06/03, the program witnessed **110%** increase in the members and **35%** in the vehicles. Flexcar, Zipcar (FP) and City Carshare (NP) collectively occupies **95%** of the members and **91%** of the vehicles.



Brief introduction of Flexcar



Characteristics of Organization



- Dense service network and various kinds of vehicles**
- Alternative flexibility (mobility)**
- Connection between public transportation**
- High effectiveness, easy and unbureaucratic procedure, well-maintained vehicles**
- Advanced and latest technology in mass scale**
- Cooperative marketing with other corporation and organization**



Market Circumstance



- ❑ **Populated and commercially intensive city center**
- ❑ **Well-operating public transit, not perfect**
- ❑ **Feasible integration of Car-sharing with current public transit**
- ❑ **Severe traffic jam, inconvenient parking**



Customer



□ *Target consumer*

the one who drives seldom but does have the indispensable mobility demand every now and then

small corporations that can not afford high cost of car ownership

□ *Characteristics* (survey of Shaheen, Muheim, Partner etc.)

age mostly within the range of 25~40,

above average education

moderate income (perhaps related to the age)

conscious about the traffic condition and environment



Social Benefits of Car-sharing



Enable more effective utilization of automobile

- ❑ *Alleviation of pressure on transportation and transportation facilities*
 - each shared car keeps six off the road
 - one car is easily shared by 20 to 40 people
 - leave additional parking for the community
- ❑ *Environment protection*
 - low-emission or gas/electric hybrid cars
 - Flexcar – – First in U.S. to Offset 100% of CO2 Emissions
- ❑ *Reduction of energy consumption*
 - derived benefits from decrease of automobile usage
- ❑ *Improvement of public transit efficiency*
 - shift of dominant transit approach from auto to public transit



Member Survey (students in UOW)



<i>Users</i>	<i>Advantages</i>	<i>Disadvantages</i>
<p><i>Perry</i></p> <p><i>Lauren</i></p> <p><i>Debika</i></p> <p><i>Heather</i></p> <p><i>Becki</i></p> <p><i>Justin</i></p>	<ol style="list-style-type: none"> 1. excellent for seldom-drive-people 2. \$400/month -> maximum \$100/month 3. derived expenditure saving 4. no hassle of ownership 5. Easy accessibility 6. many vehicles and parking lots, 7. good for the environment 8. hourly and advantageous plan, reasonable prices 9. flexibility of using 10. safe cars and with insurance 11. various options of the car 	<ol style="list-style-type: none"> 1. economical only for short trips 2. tressful to be timed
<p><i>Natasya</i> <i>(Car Owner)</i></p>	<ol style="list-style-type: none"> 1. get to meeting and other activity 2. no care of gas, insurance, parking, maintenance, etc 3. easy for two use at the same time 	<p>not cost-effective to use full day</p>



Private Benefits of Car-sharing



Provide the customers with mobility without excessive financial burden and other hassle

- Expenditure reduction on transportation*
- Occasional and indispensable demand of mobility*
- Extra and alternative flexibility*
- Various options to satisfy various demand*
- Satisfaction of environmental consciousness*

“We never try to tell people what to do. When it comes to money, people are very good at voting with their pocketbooks.”

**----- Lance Ayrault
President & CEO, Flexcar**

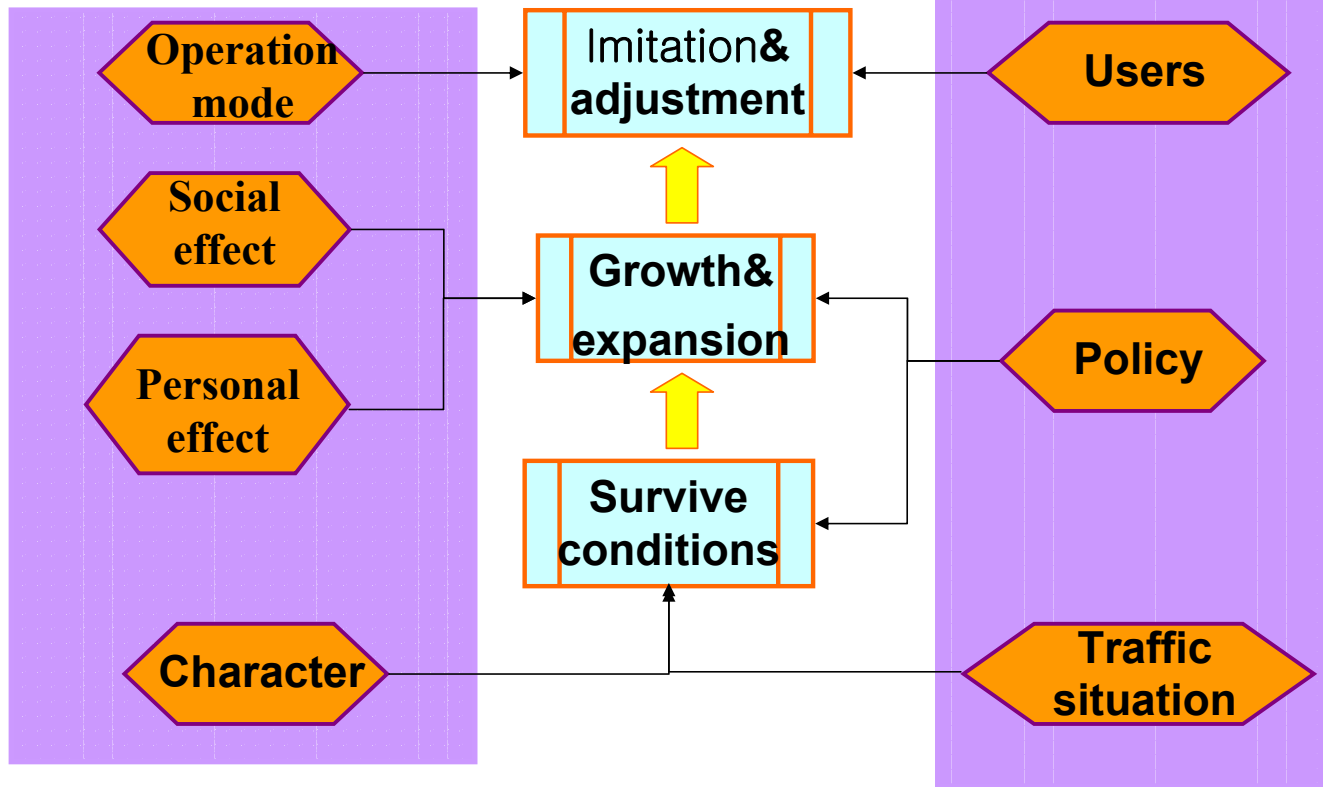
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分析要素关系



Car-sharing abroad

Situations in China


Where can Car-sharing find its place in China?



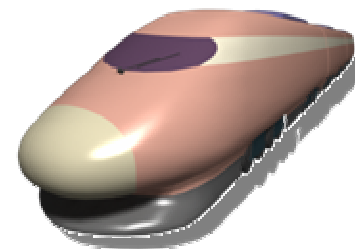
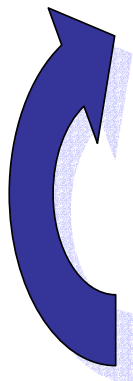
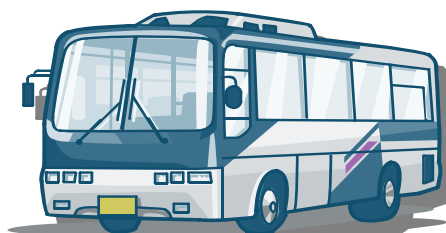
The majority of car sharing members in the U.S. (80%) and Canada (100%) live in the 25 most densely populated cities in these nations.

- **Bad traffic conditions;**
- **Defect in the public transportation system.**

Ignoring other factors especially people's purposes of car purchasing, it could be concluded that in some big cities in China (e.g. Beijing and Shanghai), there is potential need for car-sharing.



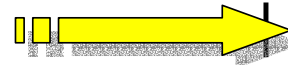
Current situation of Beijing



Possible Chinese users of Car-sharing



Abroad



China

- *Target consumer:*

- ◆ 不常驾车但是确有需求的消费者;
- ◆ 不想承担高养车成本的中小企业;
- ◆ 重视环保声誉的大企业。

Rapid growing companies in developed area

- *Characteristics :*

- age mostly within the range of 25~40,
- above average education
- moderate income

Increasing middle class in big cities



Scale of startup

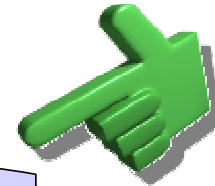


USA:

Flexcar, Zipcar (FP) and City Carshare (NP) collectively occupies 95% of the members and 91% of the vehicles ;

Canada:

CommunAuto, Co-operative Auto Network (CAN), and Autoshare Toronto serve 93 percent of all Canadian carsharing members.



- Service system with low cost;
- Reputation's achievement;
- Gain more favourable.



Government's effect



Government's standpoint?

- Positive aspects:

- Social effects;
- Change people's habit.

- Negative aspects:

- Pub transit's priority;
- Impact to auto's industry.



生存空间的拓展



交通部门的支持

Support from the government

- 60%的美国汽车共享项目在启动阶段受到来自公共部门的资金支持，在运行了1年之后，30%仍在资助范围之内。
- 在可能的地点给予停车位优先。

与企业的合作

Corporation with car producers

- 2002年3月，Honda公司占有Flexcar资产总额的18%。

与房屋开发商的合作

Corporation with house developers

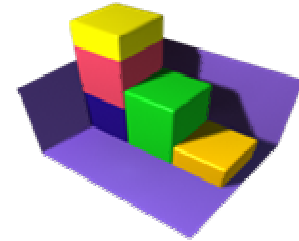
- City Carshare项目已经开始和开发商合作，将他们的停车地点设置在用户所在楼的内部。



Imitations



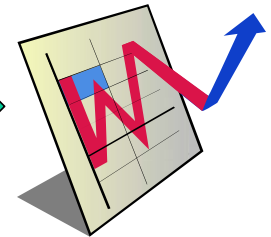
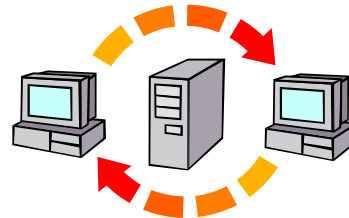
Diversity in service



Flexible booking system



Data collection & analysis



Adjustments



- ✦ Hold car exhibitions in corporation with car producers.
- ✦ Participate in the environmental movements.
- ✦ Organize the users to parties and travels.
- ✦ Make all the users a big family.



Conclusions and expectations



Traffic specialization

Reduction in overall cost.

Use right



Ownership



- More developed traffic market.
- Correct attitude to the traffic tools: from government and users.



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Thanks to:

**Mr. Jia Feng, Prof. Zhang Shi-qiu
Flexcar staff in Seattle
Flexcar Members in UOW**



Thank you for your attention!