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The Future of Mobility Shared Mobility

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GAME CHANGERS



Introduction

Public transport has always been the most common means of transportation, but many people couldn't resist the lure of having their own vehicle and the prospect of full independent mobility.

In the age of digitalization, new mobility services were introduced: app ordering services, like free-floating and peer-to-peer car-sharing, car-pooling or ride-sharing, form the modern alternatives to traditional public transport or taxis and cars. Using shared mobility might soon become as simple and common as streaming music.

Our research shows the daily use of the average private car is as little as 63 minutes per day. Furthermore, there are 67 days in a year (more than two months) when the car is not used at all. All this cumulates in the fact that 96% of the time the car is just parked at a standstill.

Challenging the economic efficiency of car ownership is exactly what is at the heart of all mobility services offers. And consumers are convinced with this message. Thus, more than 50% of current car owners predict that instead of owning a car, people will use shared mobility services in future, as it will be the cheaper option (figure 1).

People's predictions to owning a car vs. using shared mobility in future

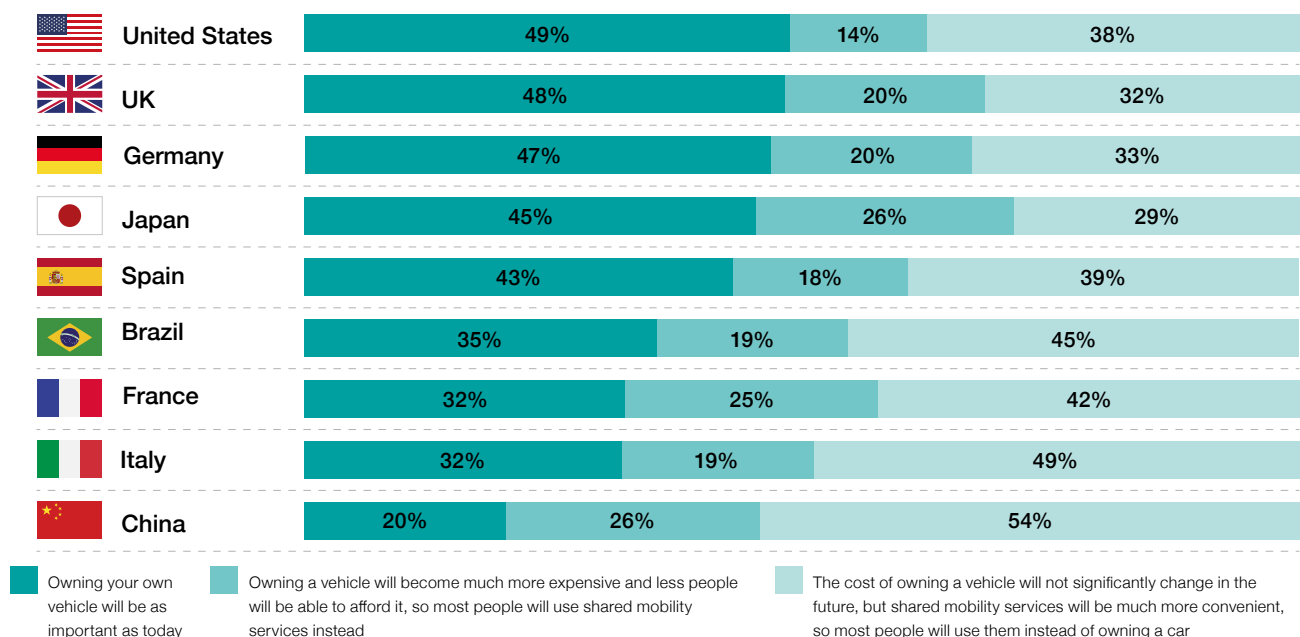


Figure 1



Where are we now with car-sharing?

The start of sustainable car-sharing development goes back to the 1990s. On a basic level, car-sharing is a form of car rental with two main differences: Most car-sharing providers nowadays do not request returning a car to a rental station - cars can be returned by just parking on the street. Secondly, car sharing services are charged by minute of use (vs. days of use in car renting). The consumer, for example, can use car-sharing vehicles to have a 10-minute drive from a subway station to home. But, being a close relative to car-rental, car-sharing evidently fulfils different needs - car-sharing users say that they use this service in cases when they previously drove their personal car (50%), followed by public transport (38%) and taxis (27%). Car-rental service is only the fourth means of transportation that was replaced by car-sharing (22%).

In recent years, more and more car manufacturers have invested in car-sharing, seeing this service as one of the strategic pillars of their future business. Thus, such leading car-sharing companies as Car2Go, DriveNow/ReachNow, Maven, are fully owned by car manufacturers. On top of that, there were many partnerships in place where OEMs tried to play a role in this segment, even without fully investing. This transformed traditional business models when car manufacturers earned money from only selling and maintaining cars – by providing car-sharing services they also earn from operating the car itself. “The most popular form of car usage in the near future will be short-term rental” – CEO of Volvo Cars, Håkan Samuelsson, said. “When you want your own car, people will use a form of subscription, where they pay a monthly fee, like you do for a phone contract,” said Samuelsson. Such transformation leads to the fact that many traditional OEMs are no longer positioning themselves as provider of vehicles, but rather as provider of mobility.

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Håkan Samuelsson, CEO of Volvo Cars



However, current usage of car-sharing is not as intense as future predictions. Only 2% of car owners and 4% of non-car owners have ever used car-sharing. Familiarity with this service is also pretty low and significantly differs by country (from 10% both in France and Spain up 36% in Japan and 39% in Italy).

Limited knowledge about car-sharing services (40%) and low availability of car-sharing vehicles (36%) are

the main barriers to using car-sharing, consumers stated (figure 2). Evidently, with further development of car-sharing services these two factors will naturally improve, opening doors to intensive car-sharing usage, based on the fact the economic efficiency and convenience of using car-sharing is clearly recognized by consumers. Thus, no car ownership costs (57%); no car purchase costs (48%); the convenience of not having to take care of the vehicle (43%) are marked as the top three benefits of using car-sharing (figure 3).

Barriers and benefits to using car-sharing

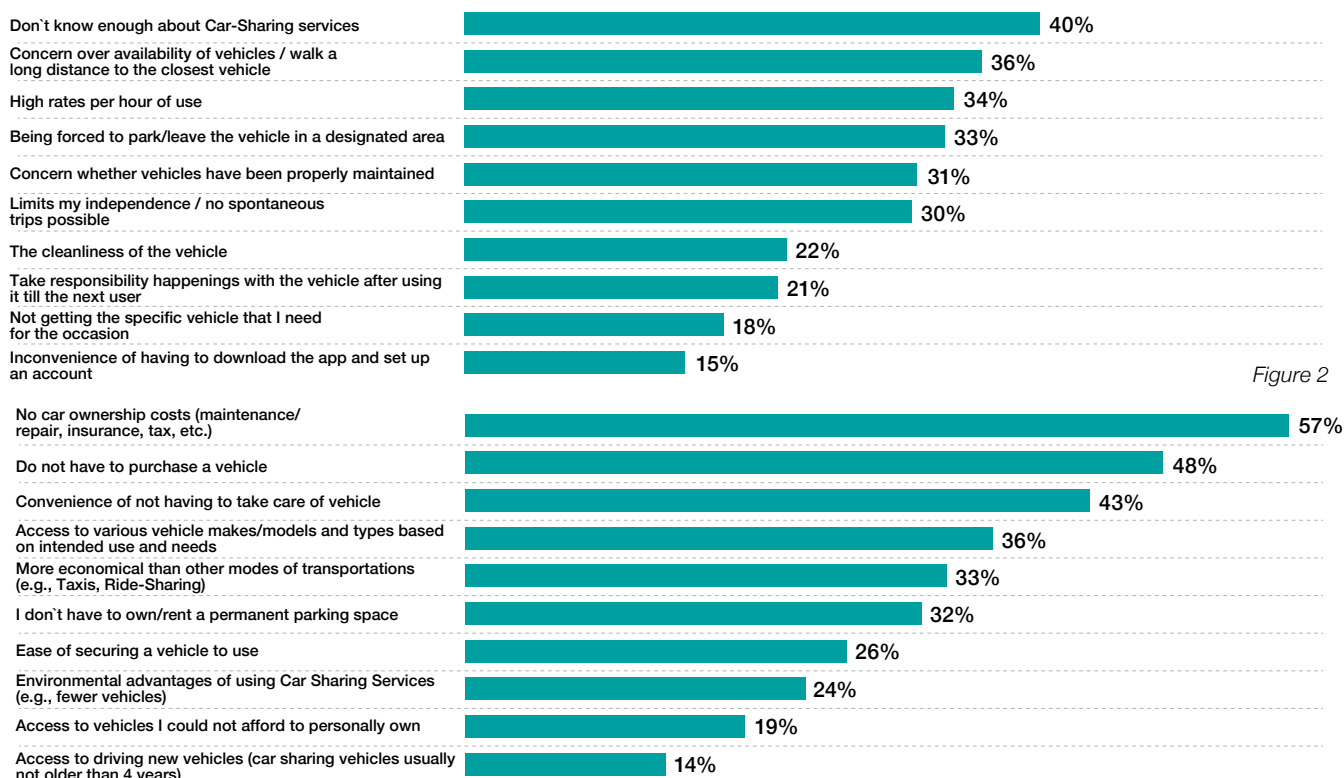


Figure 2

Figure 3

What about ride-sharing?

Ride-sharing/ride-hailing is an app-based service that connects drivers and riders. It provides a taxi-like type of service – ride-sharing users are passengers, who are driven by drivers and don't drive on their own. At the same time, drivers in many cases use their private cars, so ride-sharing providers do not need to own huge car parks, but rather perform as a platform-provider.

One of the most “internationalized” ride-sharing companies and, in fact, the one which is at the forefront of the modern form of ride-sharing, is Uber. Uber is also well recognized by consumers – 63% are aware of it (from just 13% in Japan to 93% in the USA). But the global presence of a ride-sharing provider, such as Uber, is rather exceptional – operating in one specific region, or country, or even city, is more common

Barriers and benefits to using ride-sharing

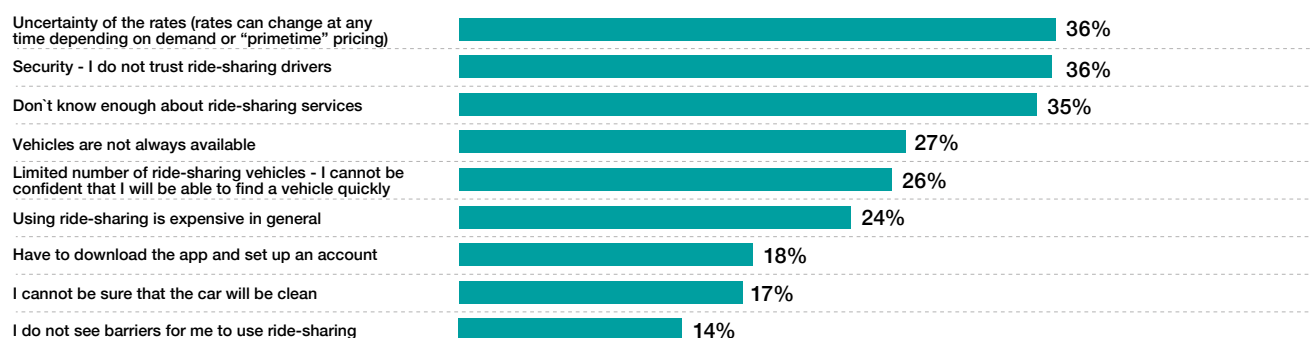


Figure 4

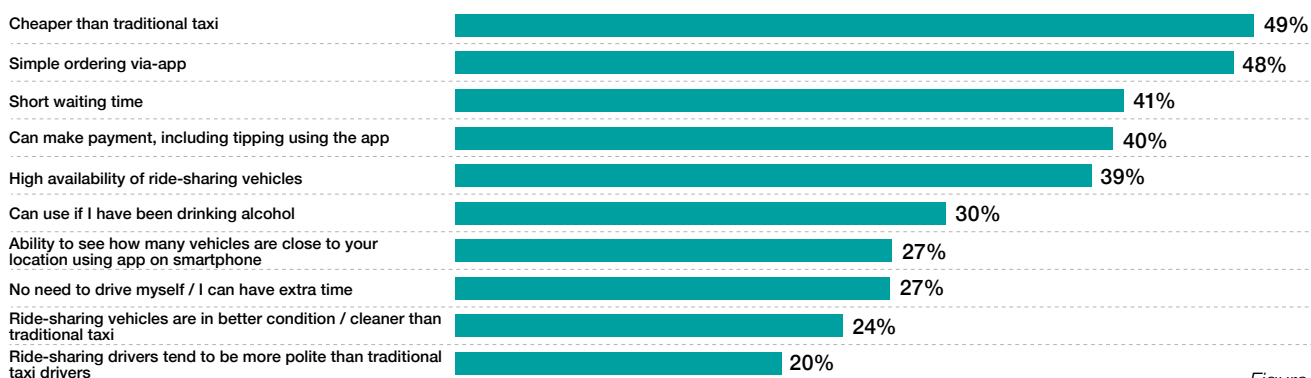


Figure 5

nowadays. Didi, for example, is very popular in China (91% awareness), Lyft in the US (78% awareness) and BlaBlaCar in Europe (46%). All in all, there are several hundred of ride-sharing providers operating around the globe.

Ride-sharing services are more widespread than car-sharing – one in four (24%) consumers used ride-sharing. Furthermore, 51% of those are frequent users say they use ride-sharing services a few times per month or more.

Cheap (49%), simple (48%), and fast (41%) are the top three recognized benefits of ride-sharing. Interestingly, this correlates with what is cited as the biggest disadvantages of traditional taxis – unfair cost (45%), difficult to flag down (38%), and no control of the waiting time (35%). So, ride-sharing companies successfully managed to overcome the pain points of taxi services. Speaking about the barriers of using ride-sharing itself consumers mark uncertainty about final rate (36%), security (36%) and limited knowledge about ride-sharing services (35%), as the three main barriers (figure 4).

As highlighted in the previous whitepapers on The Future of Mobility series, the three main pillars of future mobility – driverless and connected cars, electrification and shared mobility – are inter-connected between each other. The current study also underlines this

message, with 28% of consumers preferring to travel in an electric vehicle while using ride-sharing services. This is a significantly higher share compared to those who intend to purchase an electric car for private ownership (7%).

Expected leaders in mobility services in the next five years

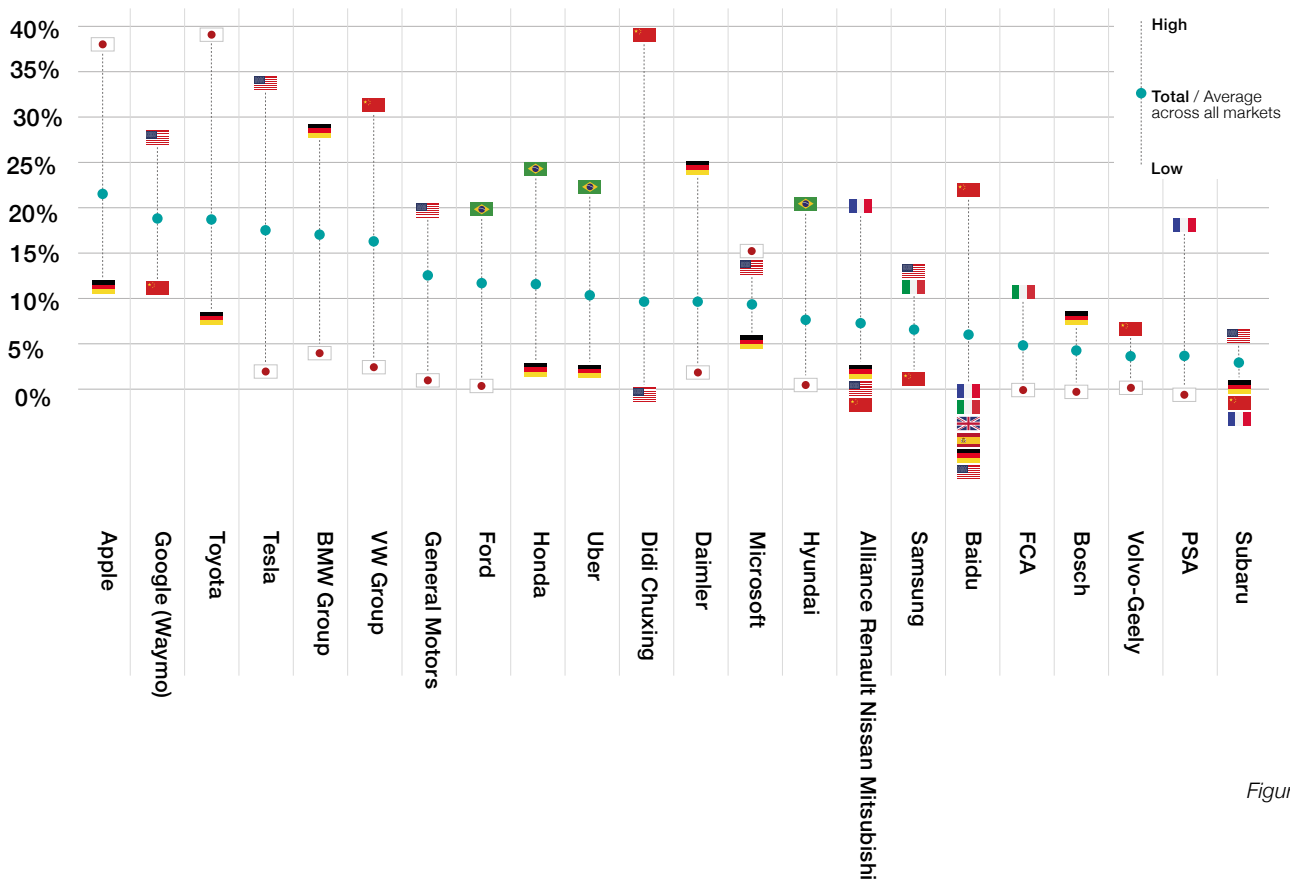


Figure 6

Who will provide mobility services in the future?

Consumers believe that the top two predicted future mobility service leaders will be Apple and Google (Waymo) (figure 6), which shows consumers expect huge disruption to the way we travel. On position 10 of future leaders on shared services we see Uber, as a ride-sharing company, followed by its partner and competitor Didi.

Alternative transportation modes

Cars will continue to be the leading mode of transportation used for short/mid-distances. At the same time, we hear more and more that totally new vehicles may appear in the future, like self-flying drone taxis, or modular capsules that can be used as cars on the roads and could switch to helicopters or railway-shuttles. Even now 15-40% of consumers know at least a little about such means of future transportation, and even more (40-55%) would likely or strongly consider using such services whenever they are available (figure 7).



Awareness of alternative transportation modes

	UK	France	Germany	Spain	Italy	USA	Brazil	China	Japan	Total
Self-driving / fully autonomous taxi on demand with max. 4-Seaters	37%	27%	38%	35%	46%	44%	48%	47%	10%	39%
Self-driving / fully autonomous Shuttle on demand with max. 10-seaters	25%	25%	26%	26%	43%	29%	43%	37%	10%	30%
Drone-taxi - Self-flying / fully autonomous taxi	15%	14%	17%	20%	33%	17%	26%	29%	8%	20%
Helicopter-Vehicle-Cars which can be driven on streets and could be used as helicopters	11%	11%	15%	18%	29%	14%	27%	23%	7%	17%
Modular Transport Systems - fully autonomous interior capsules which can be used as cars on roads and could switch to helicopters or railway-shuttles	11%	10%	12%	16%	28%	13%	21%	25%	7%	16%
Ultra high-speed public transport (like Hyperloop traveling in 700 mph / 1000km/h)	22%	18%	18%	26%	35%	31%	42%	34%	8%	27%

Figure 7

Conclusion

These show consumers are ready to accept disruptive ideas in the area of transportation as a service. Just this state-of-readiness will support the fast-growing trend of shared mobility in future.

At the same time, the exact pace and direction will be significantly influenced by another player in the field – city authorities. Generally, the interests of business (mobility providers) and city authorities coincide, with both parts aiming to reduce number of cars on the roads. Free parking for car-sharing vehicles, tax privileges for electric cars, high-occupancy vehicle lanes, allowance to use public transport lanes for electric cars are just few of many vivid examples of cities supporting development of mobility into its current form. Surely, more and more different pilots of state-business partnerships will appear.

Everyone is curious about exactly how consumer preferences - and acceptance of new ideas - will develop and it's a topic we'll continue to follow in the Ipsos Automotive Navigator Series.

Method

In wave three, Ipsos interviewed 105,000 car owners and 10,000 non-car owners across nine countries, in the Americas (USA, Brazil), in Europe (France, Germany, UK, Italy and Spain), in Asia (China and Japan). Interviews were conducted online in October 2017 and analyzed in January 2018. All results are weighted by net population and size of car parks.

This paper is the third in a series of three on future mobility. Previous papers include Disruptive and fully automated driving, and Electrification.

For more information on this survey, please contact FutureMobility@ipsos.com

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