Car Club Annual Survey Scotland 2018/19

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Executive summary

The Car Club Annual Survey for Scotland was completed by three commercial car club operators (Co-wheels, E-Car and Enterprise Car Club), along with several community car clubs. Overall, these car clubs have a fleet of 544 cars and 19,872 members in Scotland, 12,215 of which were active members (have rented a car at least once in the year surveyed).

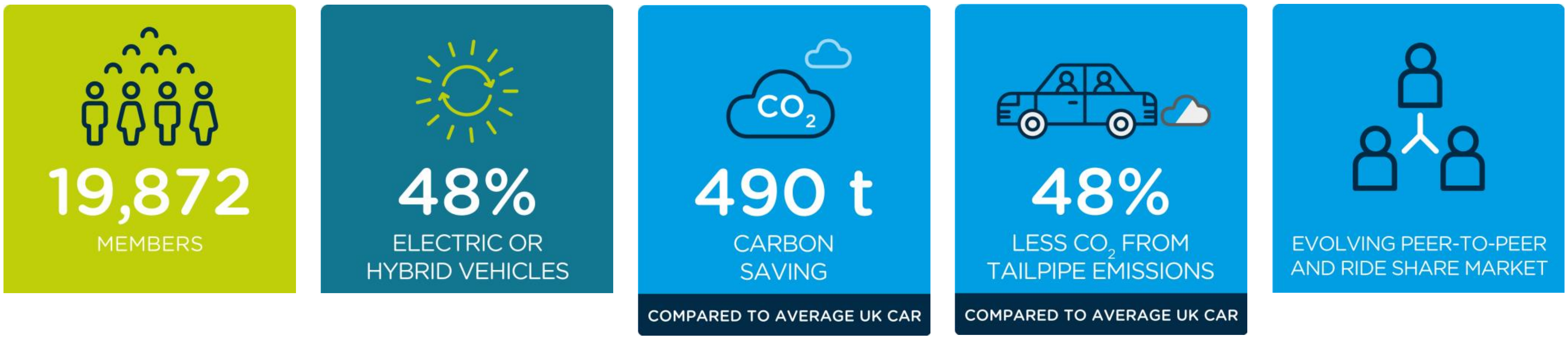
A car club provides an efficient way for people to share cars instead of owning them. By sharing a car, it will be parked for less time and users have flexibility when they want to use a car for a specific trip. Car club vehicles were hired for an average duration of 9 hours, driven for an average distance of 40 miles.

Car clubs in Scotland are experiencing significant growth. In the last year:

- Members have increased by 40%
- Vehicles have increased by 26%

Car clubs can provide social, environmental and financial benefits for communities, as they:

- Facilitate lower levels of car ownership and encourage travel by public transport, walking and cycling.
- Improve local air quality by using more environmentally friendly cars, which have significantly lower tailpipe emissions than the average UK car.
- Use mostly new cars: 79% of the car club cars achieved Euro 6 rating on the euro emission standards.
- Improve car safety, as 84% achieved NCAP 4 or 5 rating.



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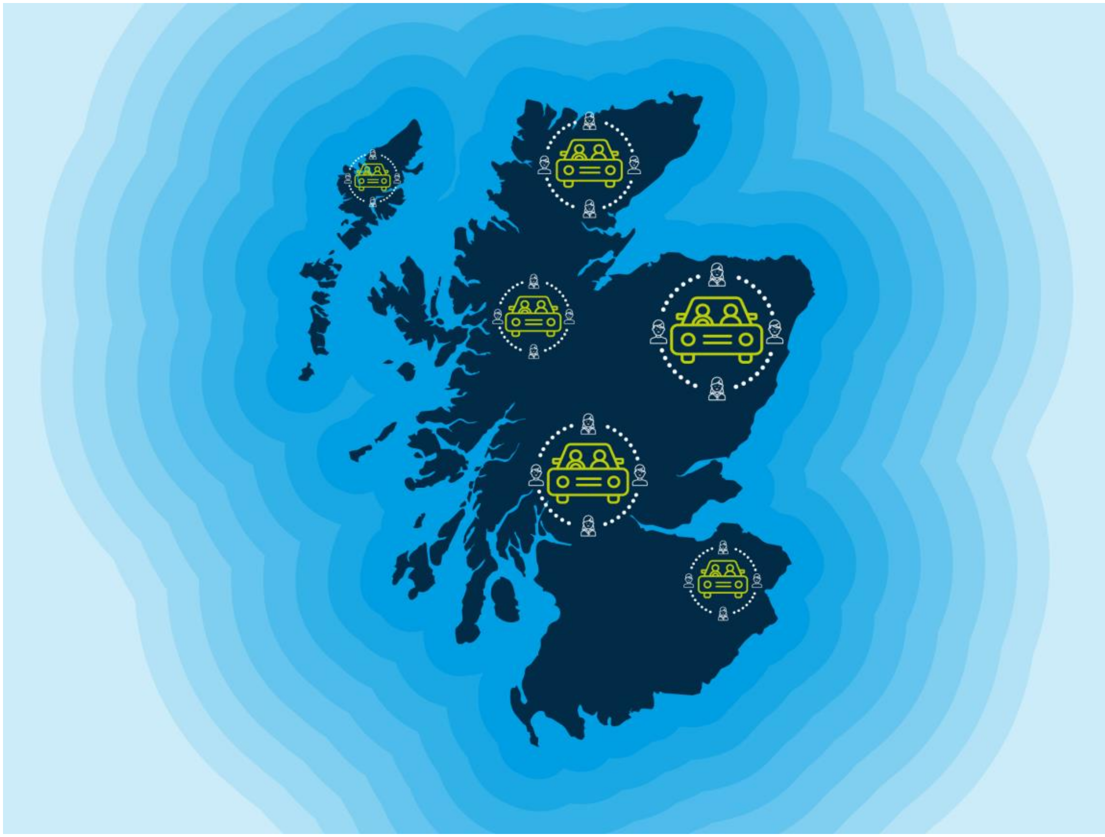


1 Introduction

1.1 Overview

This is the twelfth edition of the Car Club Annual Survey for Scotland covering the period December 2017 – December 2018. The report has been administered by consultants from Steer on behalf of CoMoUK with input and contributions from commercial and community operators.

CoMoUK is committed to a standardised data collection system to assess the impacts of car clubs and inform the development of the car club market. Since 2007, CoMoUK (formerly Carplus) has worked with car club operators to collect a range of data on the characteristics of their members and details on their fleet.

This report summarises member and fleet information collected from the operators. This year, rather than carrying out a survey of members, a new area of focus is included in the report exploring the growing peer-to-peer and ride share market in Scotland.

To better understand the peer-to-peer and ride sharing market, we have engaged with operators in both sectors who have a presence in Scotland, as part of this study.

There are currently three commercial car club operators operating in Scotland (Co-wheels, E-Car and Enterprise Car Club), along with several community car clubs. Overall, these car clubs had a total of 19,872 members in Scotland, 12,215 of which were active members (have rented a car at least once in the year surveyed).

The car club fleet is made up of 544 vehicles, of which almost half are electric or hybrid.

Three peer-to-peer car club operators were interviewed. They all have some vehicles and members in Scotland; however, none of them have actively marketed in Scotland, having mostly focused on growth in London to date.

Two ride share operators were interviewed. Both have established operations in Scotland, including partnerships with authorities, events and companies, facilitating both short distance commuting trips and longer distance one-off travel.

Following this introduction section, this report is structured in 4 sections:

- Car club members and hires,
- Emissions and fleet profiling,
- Peer-to-peer car clubs, and
- Ride share companies.

1.2 Methodology

For the twelfth Scotland Car Club Annual Survey, the content of the previous survey was reviewed to ensure the survey was relevant in today's environment.

As in previous years, a survey was sent to the operators. However, this year, in order to explore peer-to-peer car clubs and ride share companies we did not carry out the survey of members. The operator survey collected key data on the member numbers and characteristics, hire characteristics and fleet details. Operators were asked for data for the year from the 1st December 2017 to 1st December 2018.

The emissions analysis and profiling of fleets were conducted using data from the DVLA (Driver and Vehicle Licensing Agency), VCA (Vehicle Certification Agency), NCAP (New Car Assessment Programme) and vehicle manufacturers.

Peer-to-peer car club and ride share companies who have a presence in Scotland were engaged as part of this study. As this is an emerging market, consistent quantitative data available is limited. Therefore, interviews were carried out with the operators, discussing their current operations and their views on the potential opportunities and enablers that they see for growth in Scotland.

2 Car club members and hires

2.1 Car club members and hires - Overview

This section contains the information provided by car club operators about their member and use of car club cars. Each commercial car club operator provided details of their vehicle fleet, membership numbers and characteristics of members, and data regarding use of car clubs by their members such as mileage travelled. The data was collected for all fleet in Scotland by means of a self-completion questionnaire. Community car club operators shared member and vehicle numbers.

Within Scotland, car clubs operate round trip models whereby the vehicles are located in designated on-street bays (provided by local authorities) or off-street bays (in private car parks and developments). At the end of the hire period, users must return the car to the same bay they picked it up from.

Commercial operators

All of the commercial operators operate across the UK. Members typically pay either an annual or monthly fee to join the car club and then usually pay per hire based on the duration of the hire.

Data was provided by the following commercial car clubs: Co-wheels*, E-Car and Enterprise Car Club. Together they had a combined number of ***19,530 members*** *(of which **7,197 are corporate****).* This is a **40% *increase on the previous year*** which had a total of 13,906 members across the same operators and 14,200 members across all commercial operators (which included Zipcar in 2017/18 who no longer operate in Scotland).

11,891 of the members made at least one hire (active member) in the year surveyed. This is a **84% increase on the previous year** which had a total of 6,451 active members for the same operators.

Community car clubs

We requested data from six community car clubs and received data from the following operators: LEAP, Moray Carshare, Rousay Eglisay & Wyre Development Trust, and Wheels4Creetown. Together they had a combined ***number of members of 342, of which 324 were active members in the year***.

The remainder of this section gives a detailed breakdown of the commercial car club member and hire details.

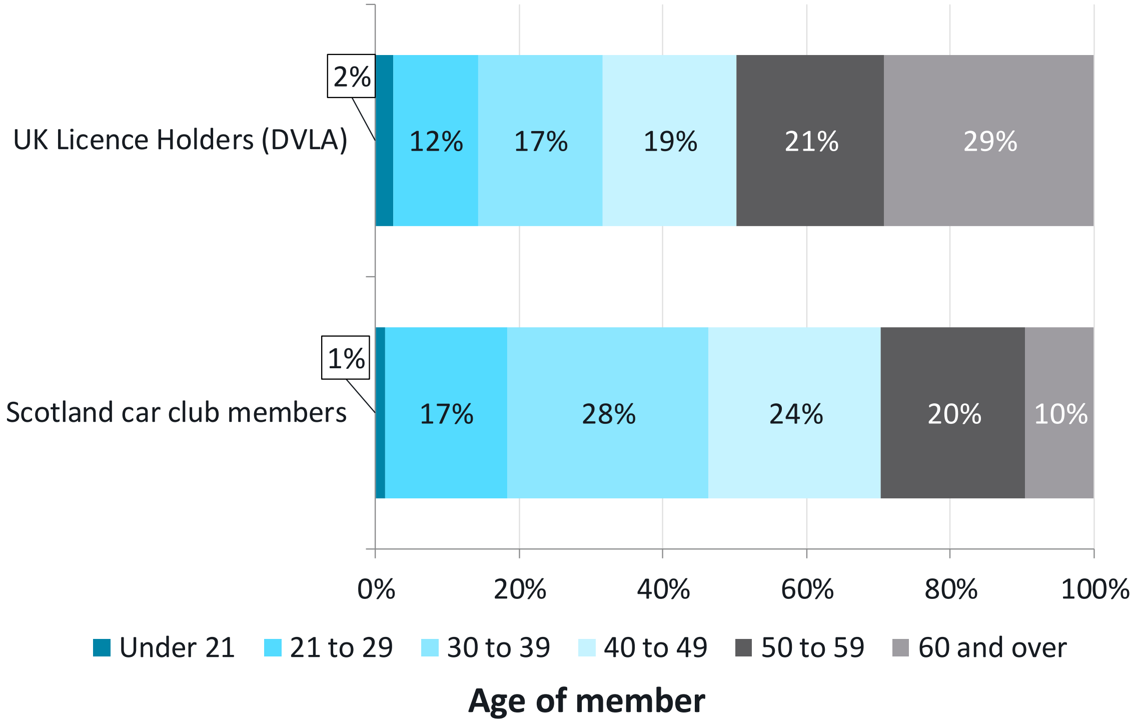
*Co-wheels data include its franchise Huntly Car Club
**Each corporate member is counted individually rather than by company

2.2 Characteristics of car club members

Car clubs attract a younger profile of members.

- The graph on the right shows that just ***over 70% of active members are aged under 50***. This compared to 50% of UK driving licence holders. This is a similar distribution to the member characteristics reported last year.

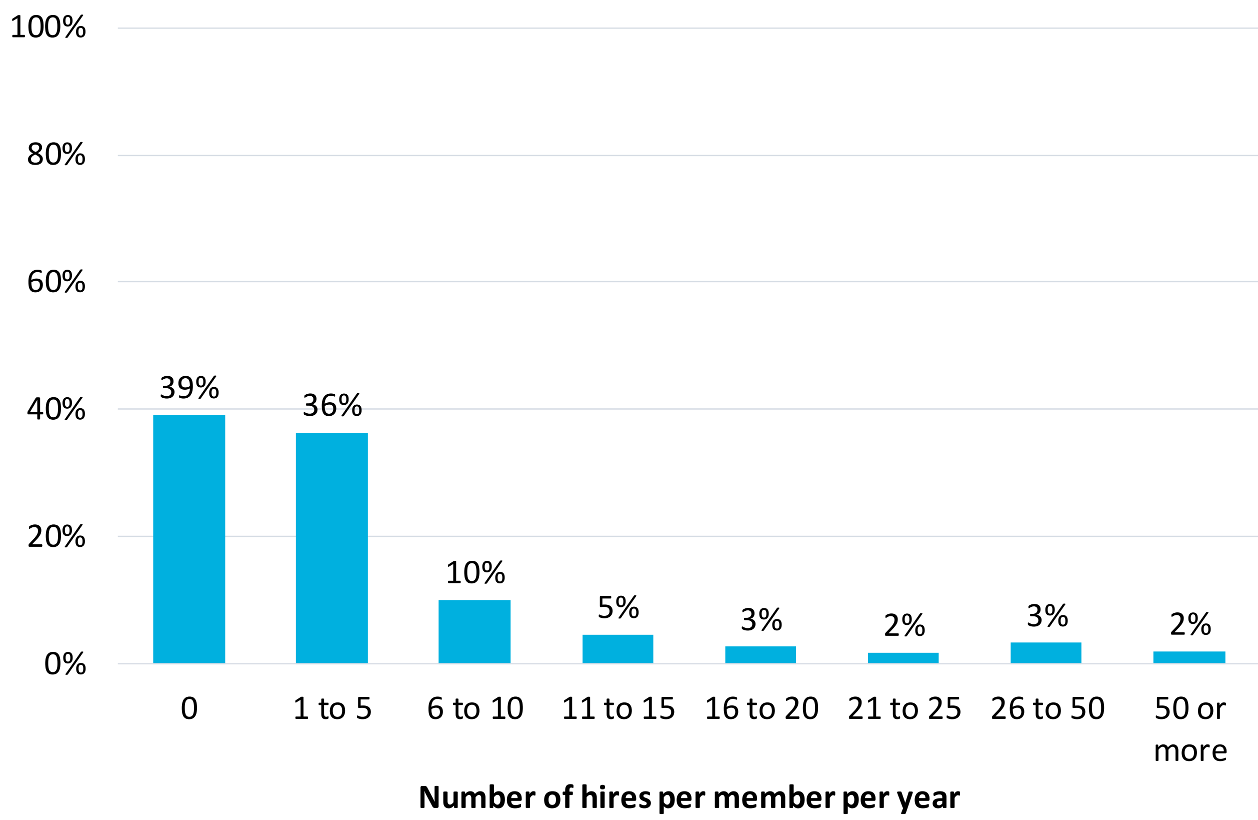
- The key age range for car club membership is amongst the 30-39 age group with 28% of car club members in this age group, compared to 17% of UK licence holders.



2.3 Number of hires per member per year

The total number of hires has increased since last year; however, each active member is making fewer trips.

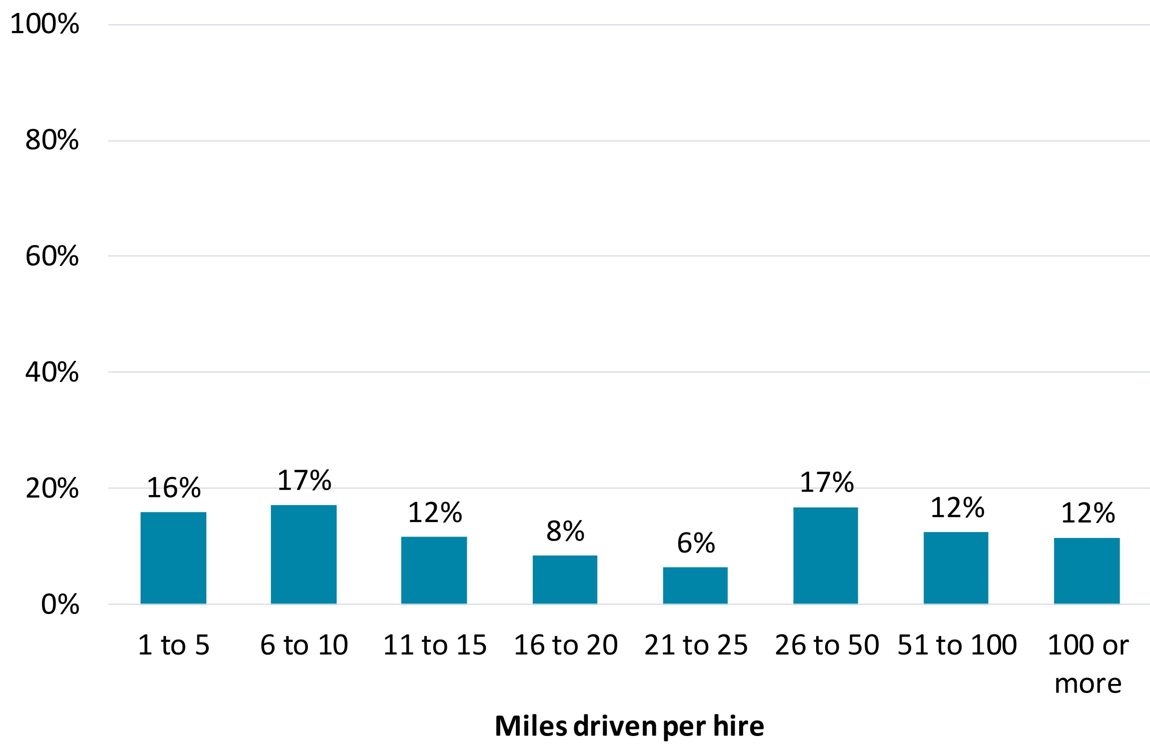
- This is ***a 35% increase on the number of hires*** reported last year.
- On average each member made 6 hires in the year. As shown in the graph on the right, 39% of members made no hires.
- Only considering the active members, they made an ***average of 10 hires*** in the year. This was made up of a high proportion of members making between 1 and 5 hires and then a long tail of more regular users. The number of hires per active member is lower than last year, down from 14 to 10.



2.4 Duration and mileage per hire

The duration and mileage of each hire has increased since last year.

- The ***average time that the vehicle was hired for was just under 9 hours***; this is higher than last year when it was around 5 hours 30 minutes.
- Note that the hire period is likely to include both driving time and some time when the vehicle was parked, therefore distance is a better indicator for how far people travelled.
- The ***average distance travelled per hire was 40 miles***, 14% more than last year. As shown on the right, the distribution of mileage for each booking is quite evenly distributed with 24% of hires making a trip of over 50 miles.



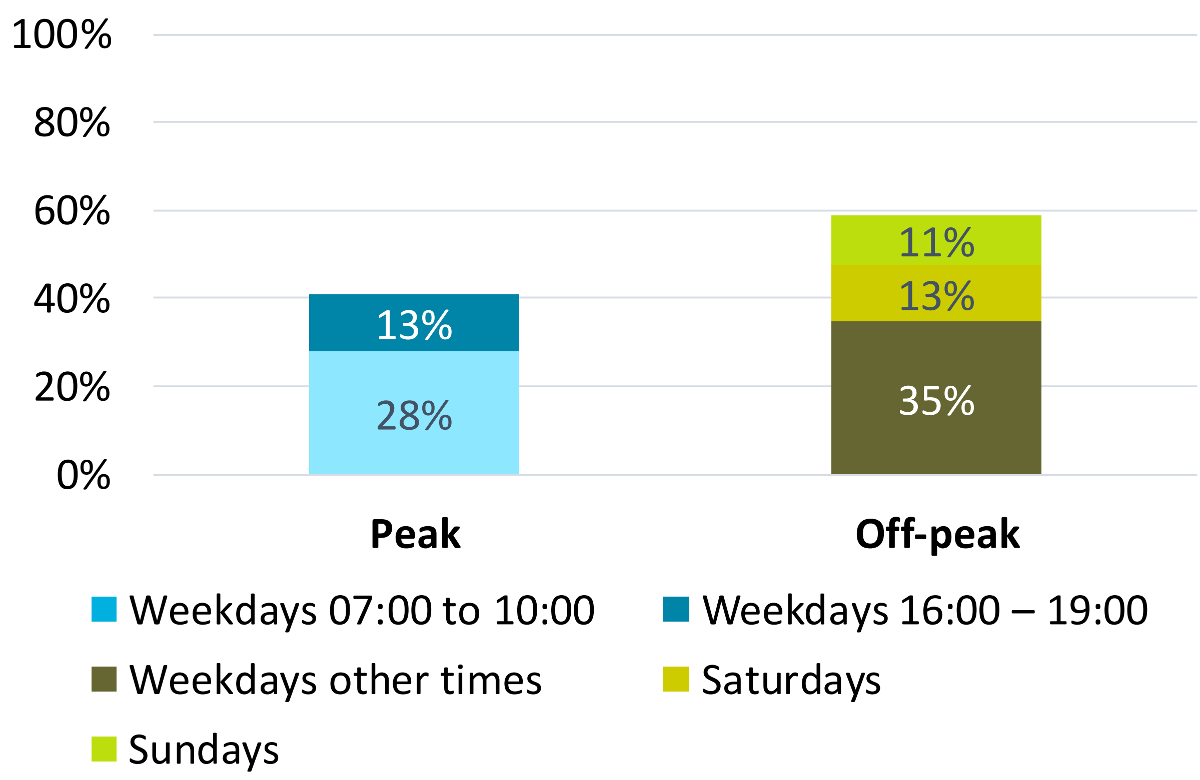
2.5 Timing of hires across the week

Most car club bookings start during off-peak times; however, the share of the peak bookings has increased since last year.

- Just over ***40% of car club bookings start during weekday peak times,*** as shown on the right. This is higher than last year which reported 31% of trips during the peak.

- Just under ***25% of trips start at the weekend***, with the remainder (35%) starting on a weekday outside of peak hours.

- Considering that the ***average duration of a hire is 9 hours***, this suggests that the pick-up time is likely to be based on the purpose of the trip rather than the specific traffic conditions.



3 Emissions and fleet profiling

3.1 Emissions and fleet profiling - Overview

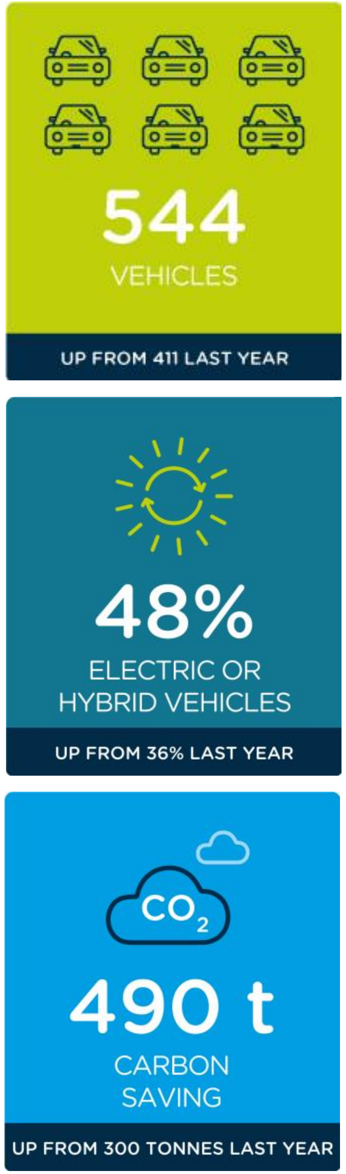
We asked the commercial operators to provide details on each of the vehicles in their fleet. This included the registration number, make and model, fuel type, annual mileage and location. Community operators shared vehicle numbers. Note that this analysis excludes vehicles not available to the general public, but it includes members who are registered through their company or organisation*.

We used this information to conduct safety and emissions analysis of the car club fleet using data from the DVLA (Driver and Vehicle Licensing Agency), VCA (Vehicle Certification Agency), NCAP (New Car Assessment Programme) and vehicle manufacturers.

Commercial operators

Data was provided by the commercial car clubs: Co-wheels, E-Car and Enterprise Car Club. Together they had a ***total car fleet size of 518 vehicles***. This is a 26% increase on last year which had a total of 411 vehicles. These vehicles travelled a total of 4.2 million miles.

Almost half of the vehicles are either hybrid, plug-in hybrid or electric. Compared to using vehicles from the average UK vehicle fleet, the trips made by commercial car club cars ***saved 490 tonnes of carbon tailpipe emissions***.



Community car clubs

We requested data from six community car clubs and received data from the following operators: LEAP, Moray Carshare, Rousay Eglisay & Wyre Development Trust and Wheels4Creetown. Together they had a combined number of 26 vehicles. This gives a total fleet size of 544 vehicles.

Car club safety standards

Full CoMoUK accreditation requires that vehicles should be less than four years old to protect the image of car clubs as an attractive alternative to private ownership, and ensure the best quality, lowest emission vehicles are made available to customers. For the basic accreditation this is extended to eight years to make allowances for reduced resources and lower utilisation and thus wear and tear.

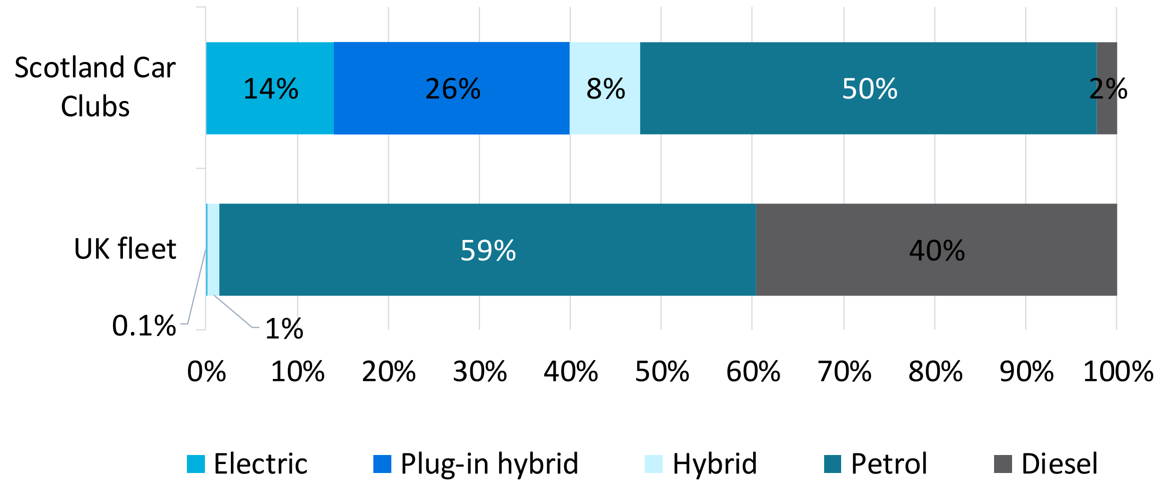
The analysis in the remainder of this section is based on the commercial car club fleet only.

 *These members include those who have access to a dedicated fleet and members who use publicly available car club vehicles.

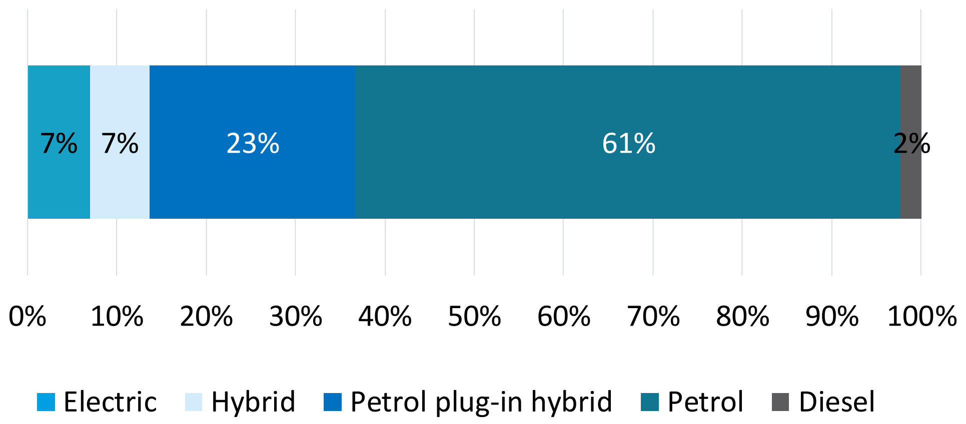
3.2 Vehicles available and fuel type

In addition to a growing fleet, the share of low/zero emission vehicles has increased.

- The total car fleet size of the ***commercial operators was 518***, servicing the 19,530 members. This is an increase of 26% compared to 411 vehicles last year.
- As shown on the graph on the right, ***48% of the current fleet is electric, plug-in hybrid or hybrid*** (up from 36% last year). Of the remaining vehicles, the majority are petrol (50%), and a small proportion (2%) are diesel.
- When compared to the UK vehicle fleet, there are fewer petrol vehicles and significantly fewer diesel fuelled vehicles.
- ***Of the total mileage, 37% was made by electric or hybrid vehicles***. This shows that these vehicles are typically used less or for shorter journeys.



Vehicle fuel type - UK fleet

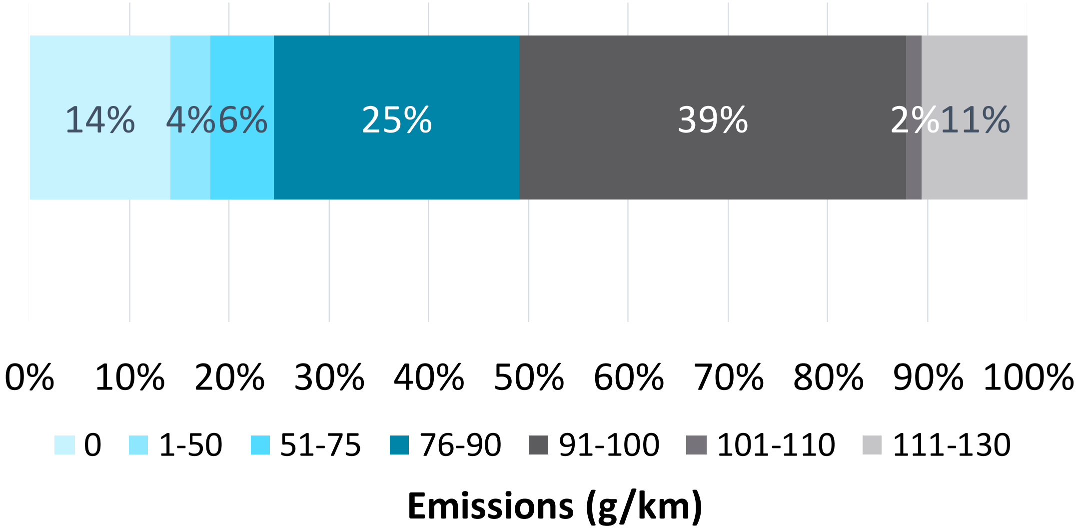


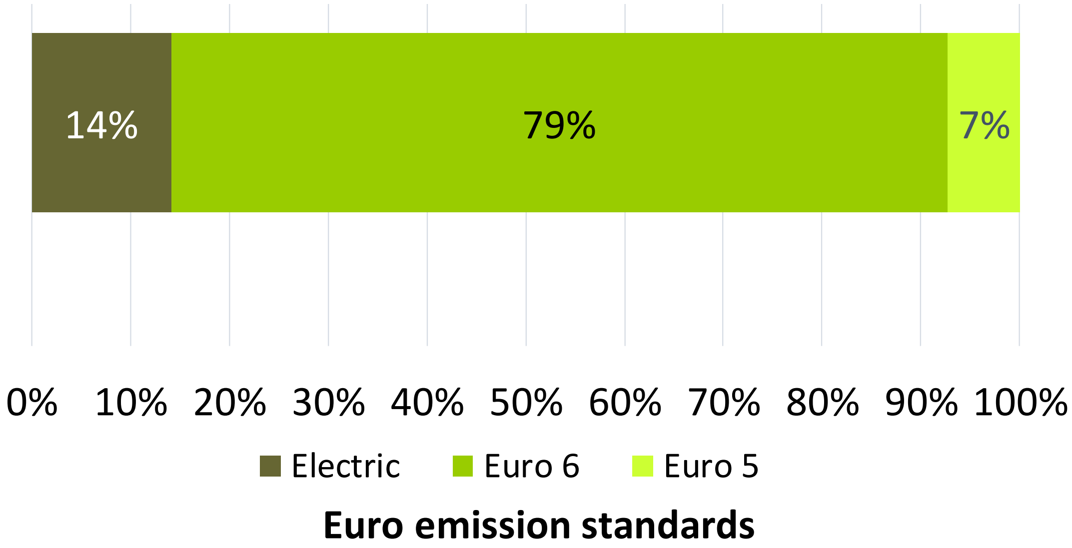
Mileage distribution per fuel type - Scotland Car Clubs

3.3 Carbon Emissions

A total of 4.2 million miles (6.8 million km) were driven in fuel efficient cars, giving a carbon savings of 490 tonnes.

- The ***average car club carbon tailpipe emission was 78g/km*** which is 4% lower than last year and 48% lower than the average UK car* (149.6g/km). This produces a total of 532 tonnes of carbon emissions from the Scottish car club fleet in 2018/19.
- If the same mileage had been driven in the average UK car in use, it would have produced 1,022 tonnes of CO_2*. This shows a saving of **490 tonnes over the year**, an increase of 63% from the year before.
- Car club cars score very well on Euro emission standards. **79% of car club cars achieved a Euro 6 rating,** 7% achieved a Euro 5 rating and 14% of the cars are electric.
- 87% of the car club fleet have less than 100g/km of carbon emissions compared to only 7% of the UK car fleet.





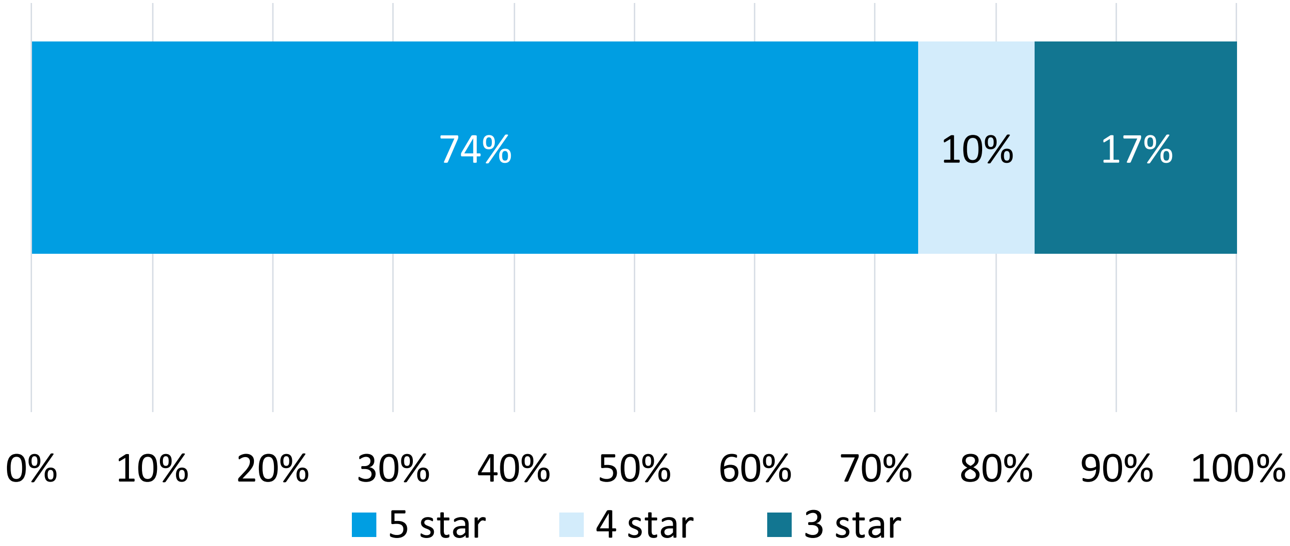
 * www.smmt.co.uk/wp-content/uploads/sites/2/SMMT-New-Car-Co2-Report-2018-artwork.pdf

3.4 Safety rating

The large proportion of car club cars meet the highest safety standards.

- 83% of the Scottish car club fleet has achieved the NCAP 4 or 5 Star safety standard.

- This shows a decrease in the average safety rating for this year. The main reason for this is the addition of the Toyota Aygo model (which has a safety rating of 3) to several of the car club fleets.



NCAP profile of the Scottish car club fleet

4 Peer-to-peer car clubs

4.1 Peer-to-peer - overview

Peer-to-peer car clubs allow individuals to list their vehicle on an online platform to be rented by members of the public. The peer-to-peer platform facilitates this through providing a booking system, insurance, breakdown cover, vehicle checks and quality assurance. These services allow car owners to share the cost of their vehicles, and facilitate a wider geographic coverage of car club vehicles to be available for use.

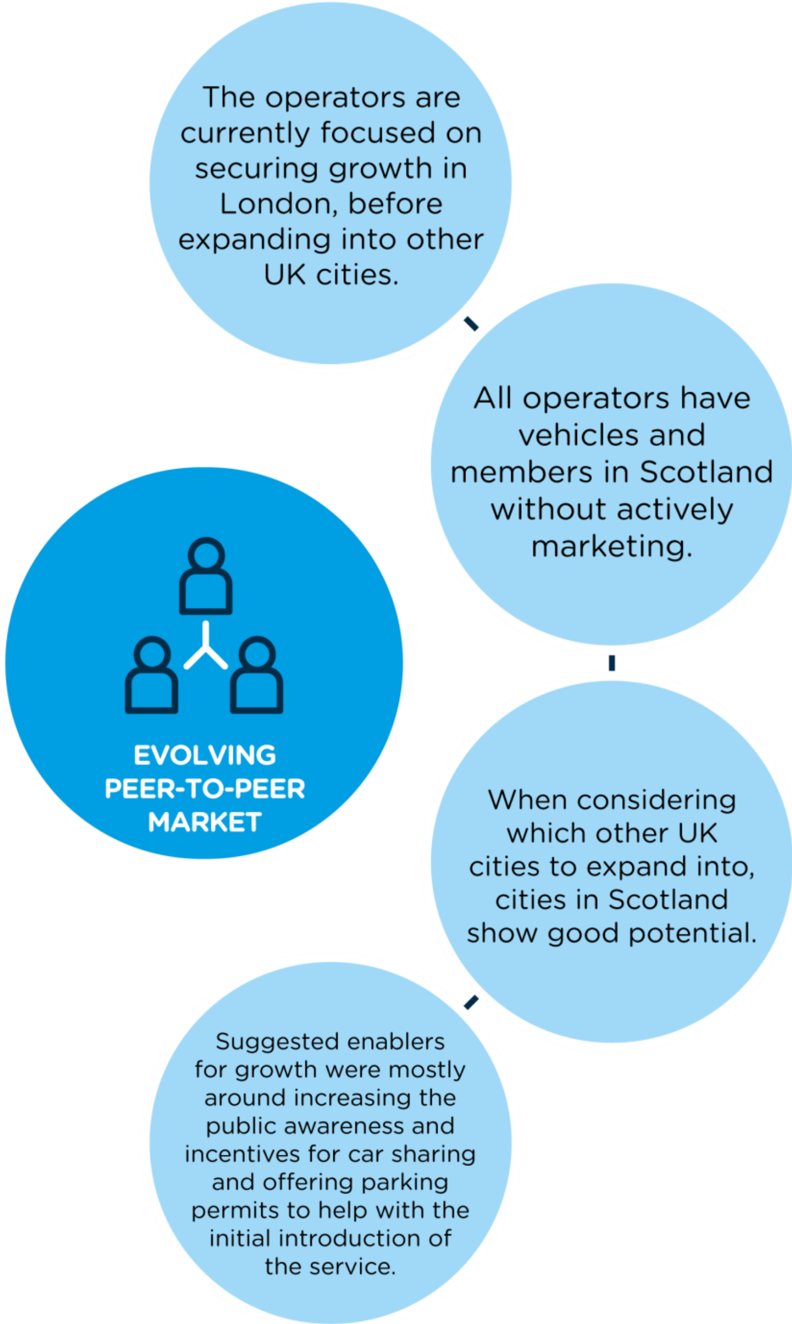
The peer-to-peer car club market has evolved in recent years, with a number of new operators launching. To better understand the peer-to-peer market we have engaged with peer-to-peer car club operators who have a presence in Scotland as part of this study.

As this is an emerging market, the quantitative data that is available is limited. We have therefore focused on understanding how the operators currently operate and their views on the potential opportunities and enablers that they see for growth in Scotland.

This section contains a summary of our interviews with current peer-to-peer (P2P) operators. We interviewed the following operators:

- Hiyacar: UK P2P car club.
- Turo: International P2P car club.
- Drivy: European P2P car club.

The details on the following slides are based on our interviews and have been reviewed by the operators.



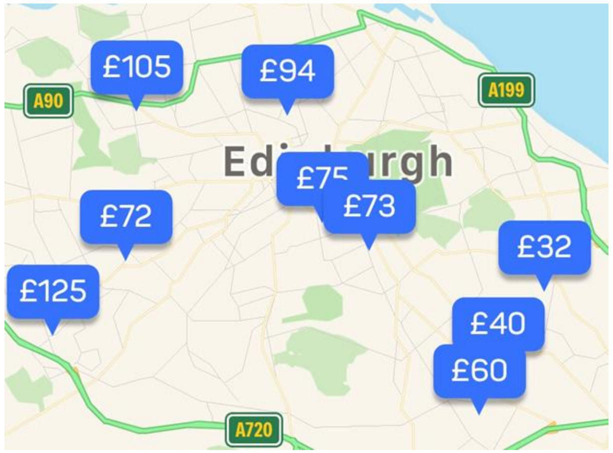
4.2 Hiyacar

Overview

Hiyacar is a UK peer-to-peer car club company, launched in 2016. Hiyacar has just gone through a successful crowdfund raise and is currently focusing on strengthening their London offer. Although it has some members with cars across the UK, Hiyacar has not yet targeted any other UK cities, and 92% of its transactions are within Greater London with around 2,000 cars and over 65,000 members.

Hiyacar has not carried out any active marketing in Scotland but has some 100 vehicles listed, and around 2,000 members.

Hiyacar expects to start reviewing other potential cities for targeted launches later in 2019.



Operations

Hiyacar predominantly operates peer-to-peer rentals, they also work with some small businesses that want to rent out their existing fleet and some dealerships. There is potential to add more cars through small businesses but this is likely to need either business parking permits or additional round-trip car club bays to be located on the public highway.

Cars are approved to join the platform if they are less than 8 years old. Once vehicles reach 9 years old are removed from the platform. The average age of vehicles on the platform is currently 3 years old.

Hiyacar offers keyless car entry to its members with free installation. Currently, the car owner needs to send the spare key to Hiyacar for the keyless technology to be installed. Hiyacar is working on ways to increase the number of cars fitted with the keyless technology including an upgraded version of the hardware and a potential partnership with other hardware installation partners. Moving to a greater proportion of keyless vehicles can potentially allow a move to hourly, rather than daily use of vehicles which makes up the majority of bookings currently.

Scottish Market

Hiyacar believes that both Edinburgh and Glasgow could be potential priority cities to target in the future. Particularly Edinburgh, which they believe that despite its relatively smaller population it would have a high proportion of Hiyacar's target customers. Hiyacar is aware of the Mobility Innovation Living Lab in Dundee Mill and has previously explored working with Stirling Council.

When asked what it sees as potential enablers for growth for Hiyacar, and car clubs in general, in Scotland, it was clear that it is important for Hiyacar to attract supply first, then demand. Hiyacar therefore suggested:

- A nationwide peer-to-peer tender facilitating on-street operations across Scotland.
- Offering incentives to people who share their car, e.g. free parking permits – encouraging hyper-local car sharing (i.e. marketing to neighbours).
- Offering parking permits in key locations, even if only at the start of operations, to allow fleet cars to be used on-street to increase the density of cars and start promoting and growing from a more established base.
- Sharing data such as households which have driving licences but no cars.
- Facilitating engagement with community groups and residents associations.

4.3 Turo

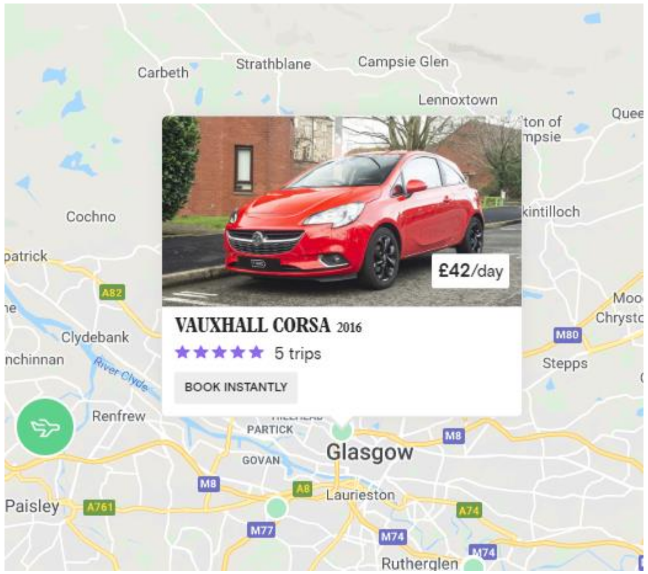
Overview

Turo is an international peer-to-peer car share company. They started operations in Boston, USA in 2009.

Turo launched operations in London in 2016 and the company now has operations in 38 countries with 10m users and 300,000 cars listed.

Across the UK there are 1,500 cars listed and 80,000 members, mostly in London. The service has been marketed in London and recently marketed in Manchester.

Turo has a couple of hundred vehicles available across Scotland.



Operations

Turo members include individuals offering their cars and small rental businesses using the platform. The service started with small rental businesses listing their vehicles on the platform and expanded to peer-to-peer in September 2018. The customer experience is of key importance to Turo.

Vehicles are typically booked for a day or more. To facilitate shorter bookings, keyless technology has been piloted in the US market. This is expected to be rolled out more widely, but there is not a date for this to happen in the UK as yet. In December 2018, easyCar Club (another peer-to-peer car club, established in 2014) closed their peer-to-peer operations in the UK. Turo has reached an agreement with easyCar Club, where users are offered an incentive to move to the Turo platform.

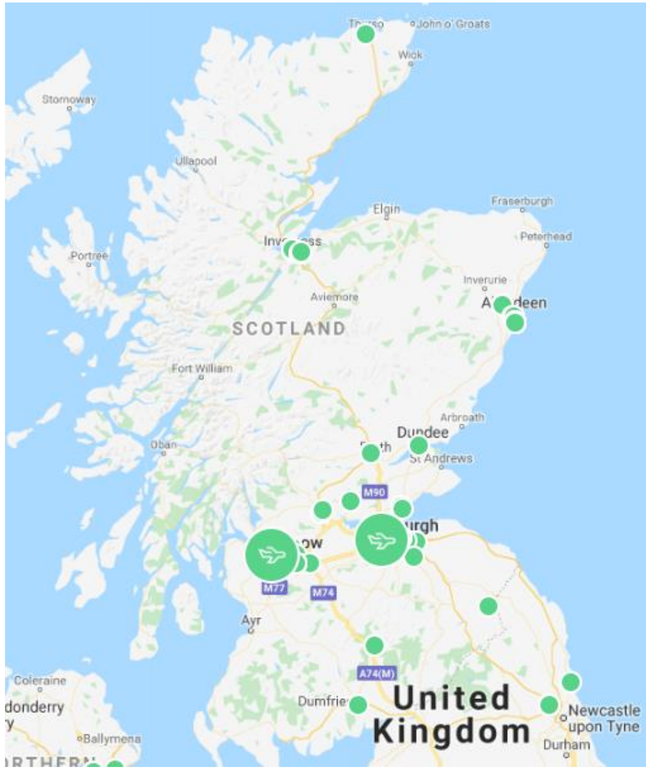
The use case for cars differs by geography. In London cars tend to be used for long weekends, or trips to Europe. Summer use also tends to be greater than winter use.

Turo offers a range of vehicles including some classic and performance cars, and does not have stringent limit for maximum vehicle age.

Scottish Market

Turo would like to grow its operations across the UK.

To facilitate growth in Scotland, Turo would be interested in working in partnership with Scottish Government and local councils to grow the market to help secure benefits of reduced congestion and emissions, and lower car ownership.



4.4 Drivy

Overview

Drivy is a European peer-to-peer car share company, and is in the process of applying for CoMoUK accreditation. Drivy started its operations in London in November 2017. It used channels of customer acquisition that had proved to be successful in other cities (Berlin, Paris, Lyon, Madrid, Barcelona). Its membership grew through 2018, and it currently has 1,000 cars in London, 20,000 members and more than 25,000 rented days.

Drivy has only marketed in London so far, with plans to target a second city this year. Drivy has not invested any marketing resource into Scotland yet. It has less than 30 cars in Scotland, largely in Edinburgh and Glasgow. The Scottish vehicles are from peer-to-peer members, rather than dedicated fleet, and are not keyless as this is currently only available in London.

Operations

In London, Drivy has a mix of peer-to-peer supply (which includes some keyless access) as well as dedicated fleets that are always available on Drivy – with the latter in order to quickly achieve scale and reliability of the service. The dedicated fleets are a mix of car rental agencies and fleet owning entrepreneurs, with some of these vehicles are available exclusively through Drivy. Vehicles must be less than six years old to be listed on the platform.

Drivy offers both daily and hourly booking. To facilitate hourly booking, Drivy encourages members to install its keyless technology. To incentivise this, they offer this technology for free for the first year then for a monthly fee after that (~£20/month). This is currently only made available to cars that are less than 4 years old, to facilitate a relatively new keyless fleet.

In the future, Drivy plans increase its footprint through fleets by securing Local Authority/Borough business parking permits or round-trip car club bays, operating in a similar way to an on-street round trip car club. Drivy is focusing on increasing the density of cars available in residential areas.

Drivy has found that launching in focused areas creates a stronger network effect - people expect to have a car within ten minutes' walk.

Scottish Market

Drivy has found that Scottish cities are slightly more active on the platform than other major cities in England – indicating good potential for growth.

Drivy sees the most potential in: Edinburgh, Aberdeen, Glasgow, Dundee and Inverness (Scotland's top 5 congested cities).

Drivy notes that, when considering expansion outside of London, co-operation with a city's council or local authority would give a strong reason to pick one city over another.

Drivy identified the following potential barriers /enablers to growth for car clubs in Scotland:

- Public awareness of car clubs, with existing services of varying business models.
- Dedicated parking bays and/or discounted parking permits to people who share their vehicles.
- Marketing and press collaboration with local councils.
- Lower population density than other major cities could make profitability difficult, therefore a mix of dedicated fleet and peer fleet required to give full coverage.

5 Ride share companies

5.1 Overview

The ride share market has been growing in Scotland for several years. This market serves both long distance and short distance trips. Typically ride share is based on individuals listing a regular or one-off trips on the ride share platform, and potential sharers accepting a ride. Payment is typically made to cover the cost of the trips, but not to make a profit. The potential benefits of ride share include:

- Reduction in single occupancy car trips.
- Reduction in road traffic and congestion.
- Reduction in vehicle emissions.

The operators we spoke with target different users and trips ranging from regular commute trips to travel to events and festivals.

This market is made up of a combination of different business models which record their users in different ways. This means that the quantitative data that is available is often not comparable between operators. We have therefore focused on understanding how the operators currently operate and their views on the potential opportunities and enablers that they see for growth in Scotland.

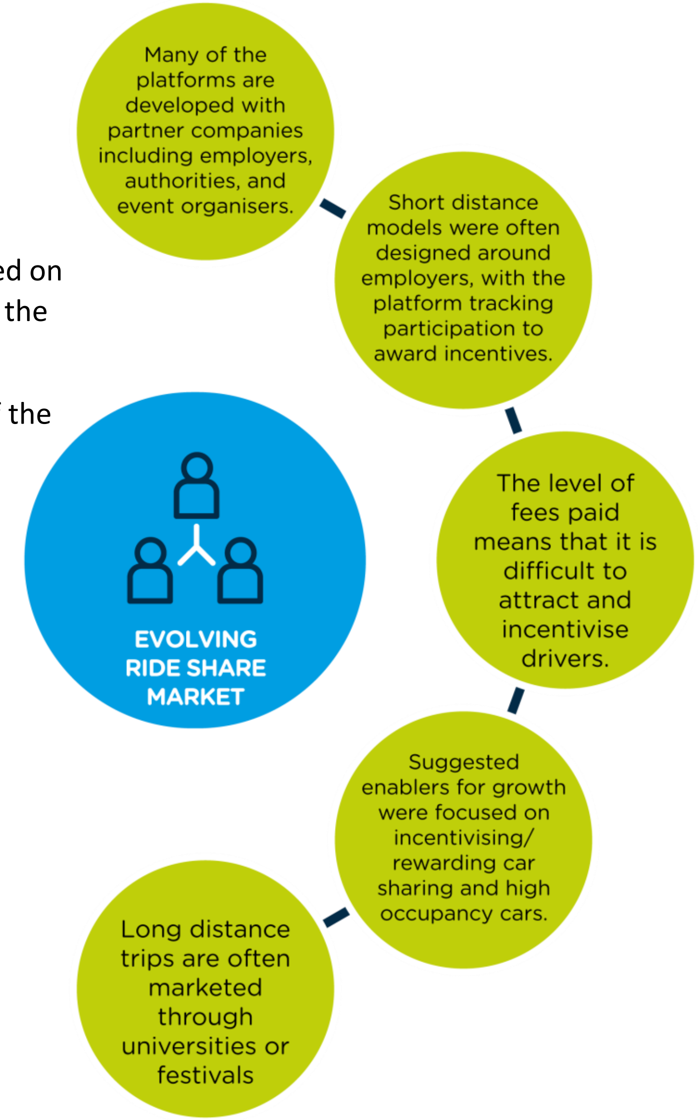
This section contains a summary of our interviews with two ride share operators.

We interviewed the following operators:

- Liftshare: UK ride share company.
- GoCarShare: UK ride share company.

The details on the following slides are based on our interviews and have been reviewed by the operators.

The callouts on the right draw out some of the key themes of the interviews.

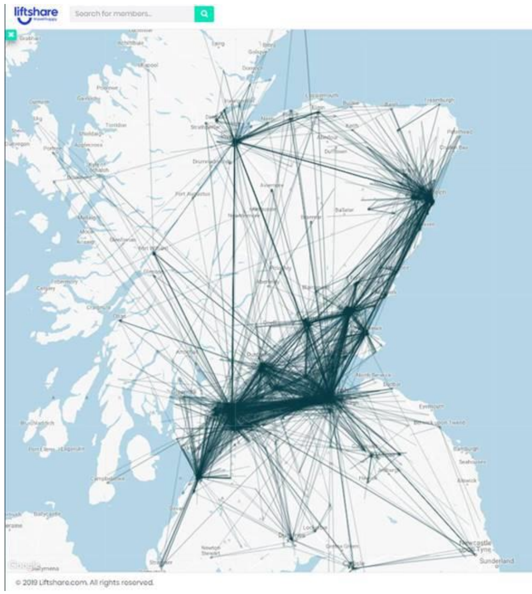


5.2 Liftshare

Overview

Liftshare is a UK based ride share company, founded in 1998. Its core business focusses on helping commuters to share their cars to work. Nearly 1 million people have joined the network, of which 660,000 are active members. Liftshare operates widely and successfully in Scotland and currently works with all regional councils in Scotland and around 50 major employers.

Liftshare already has a strong presence in Scotland, the map below shows the most recent 5,000 journeys in the Liftshare Network.



Operations

Liftshare works with Local Authorities and other employers to offer a package of measures to reduce car ownership and car trips. Liftshare offers this package of solutions, which includes encouraging travel to work by public transport and facilitates matching employees to ride share. These are set up for employers to match and incentivise colleagues to ride share for their commute. This service includes a Trip Authentication software which confirms if employees are ridesharing via their smartphone to then enable the employees to claim rewards.

Liftshare also offers a ride share matching service to the general public. This public market accounts for 50% of their current members. 1 million journeys are shared by Liftshare's members every month. The average journey shared is 26 miles each way.

Scottish Market

Liftshare already has a strong presence in Scotland. When asked what Liftshare sees as potential enablers to growth for car sharing in general, in Scotland, they suggested:

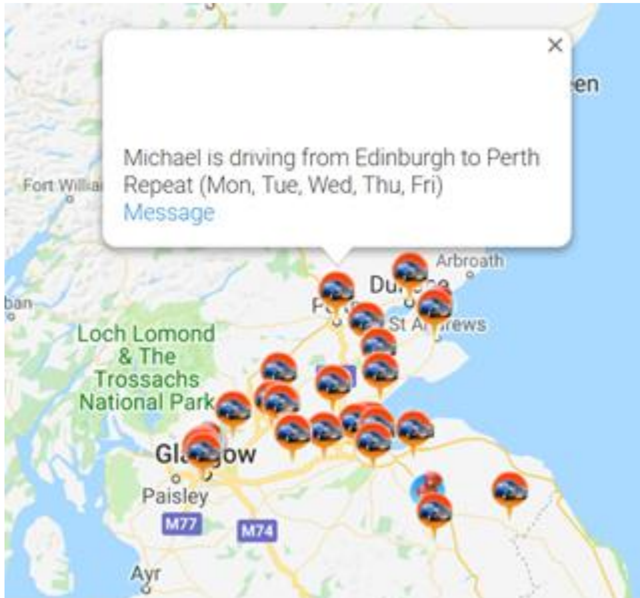
- A national campaign to promote the benefits of car sharing.
- Encouraging more parking spaces to be dedicated to car sharing, including incentives for businesses if parking spaces are reserved for car sharers.
- Encouraging more road space to be dedicated to car sharing/high occupancy vehicles. With a specific suggestion of the M90 Queensferry Crossing to make more efficient use of the limited capacity and encourage car sharing.
- Launch of a demonstration town to show how car sharing can facilitate a reduction in single occupancy car travel, as part of wider measures.
- Exploring how car sharing can become included within Mobility as a Service (MaaS).
- Promoting liftsharing as an alternative to taxis and to increase accessibility in rural areas.
- Introducing a policy where companies need to report on emissions from commuting and to be incentivised to reduce them.

5.3 GoCarShare

Overview

GoCarShare is a national ride share company, founded in 2009. Historically it has focused on events where individuals are typically more open to car sharing than for a regular trip such as commuting.

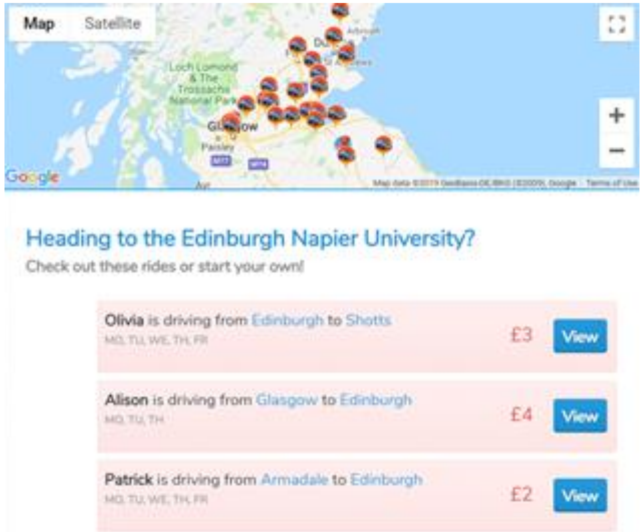
GoCarShare is concerned about commercial sensitivity regarding sharing data about trips made and note that not all ride share companies record data on the same basis.



Operations

GoCarShare works with event organisers to encourage individuals to share a car journey to a festival or sporting event. Promotion and marketing for car sharing is carried out by the event organiser.

More recently the business has moved towards supporting companies, universities and schools for more regular trips. Most ride share trips managed by GoCarShare are in the UK, although it has provided support for some overseas events.



Scottish Market

GoCarShare noted that it is interested in growing the Scottish market.

The following suggestions could help to open up the market for car sharing in Scotland:

- High occupancy vehicle lanes.
- Congestion charging with incentives for multiple occupancy, this would help with shorter journeys as currently the financial incentive for sharing a trip for a short journey is low.
- Changes to the law to allow individuals to make a profit from car sharing.
- Workplace Parking Levies.
- Pilot Cities including:
    - Policies to discourage single occupancy car use.
    - The sharing economy more widely.
    - Pump-priming of schemes.

Get in touch

If you are interested in learning more about shared transport or think that shared transport could work for you, then don't hesitate to get in touch and we will be happy to help you.

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