Europcar – World Materials Forum

2 June 2016

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Growing urbanization could impact mobility significantly

3 key urban trends

Urbanization and city congestion

- Urban population will reach 70% by 2050
- Urban congestion arises when demand for city travel services exceeds supply
- Air, water, sound pollution and parking difficulties are typical urbanization by-products

Sustainability and social responsibility

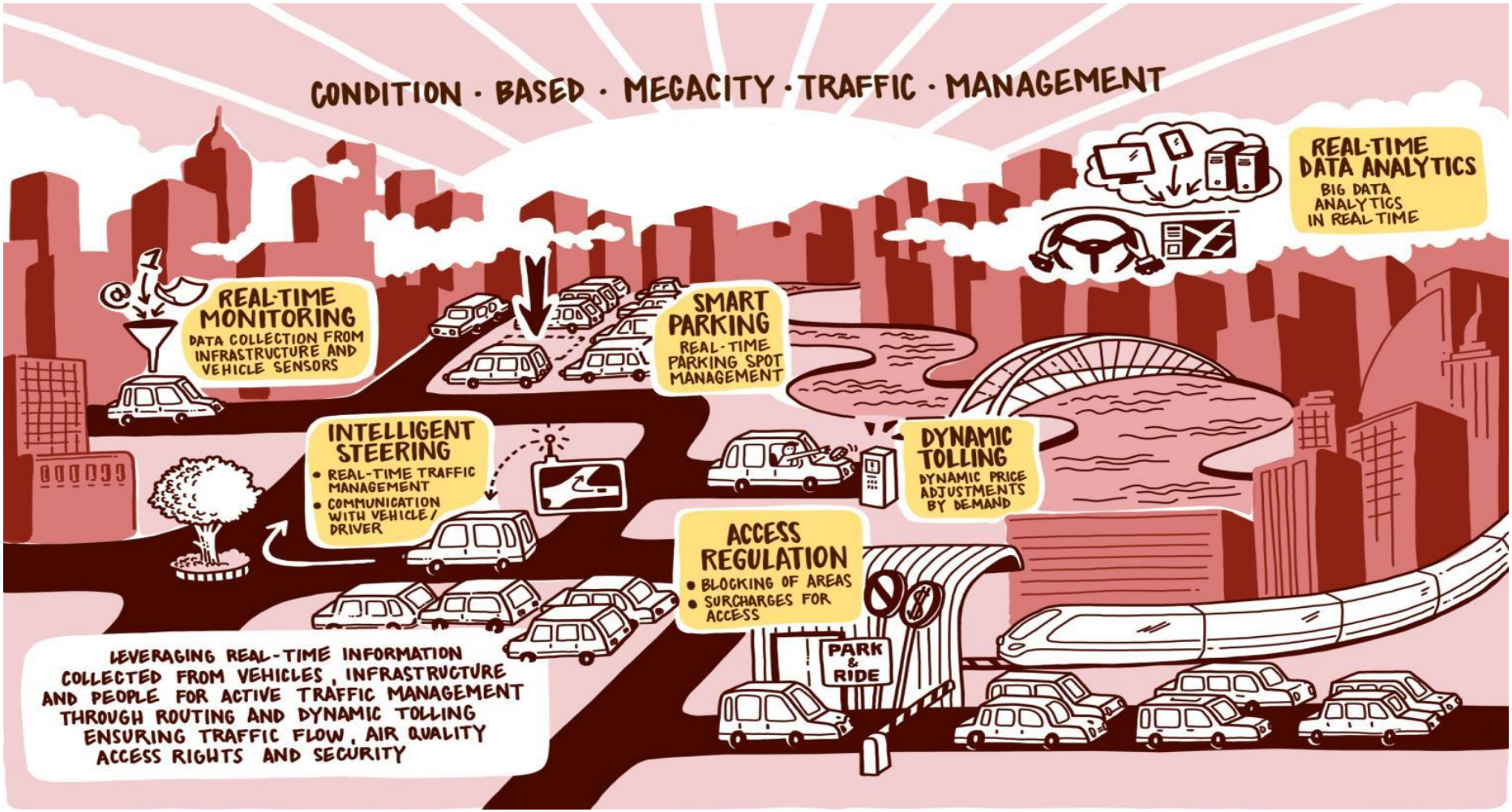
- Sustainability concerns leading to regulation over use of own car in city centers
- Accelerated search for more sustainable forms of transportation

Smart cities and public transportation

- Emergence of "smart cities", adopting a dynamic and end-to-end perspective of traffic management
- Medium-long term vision of self-driving car fleets will reshape public transportation

Vision for future cities is grounded on 6 pillars

Smart cities



Mobility is going through a shift of paradigm

Consumers with new aspirations and demands

- Aspire to travel more
- Lower propensity to own a car
- Seek on-demand convenience

Urban mobility constrained and with new options

- Congested cities
- Limited parking
- Increased regulation
- Improved public transportation

Technology evolving rapidly and disruptively

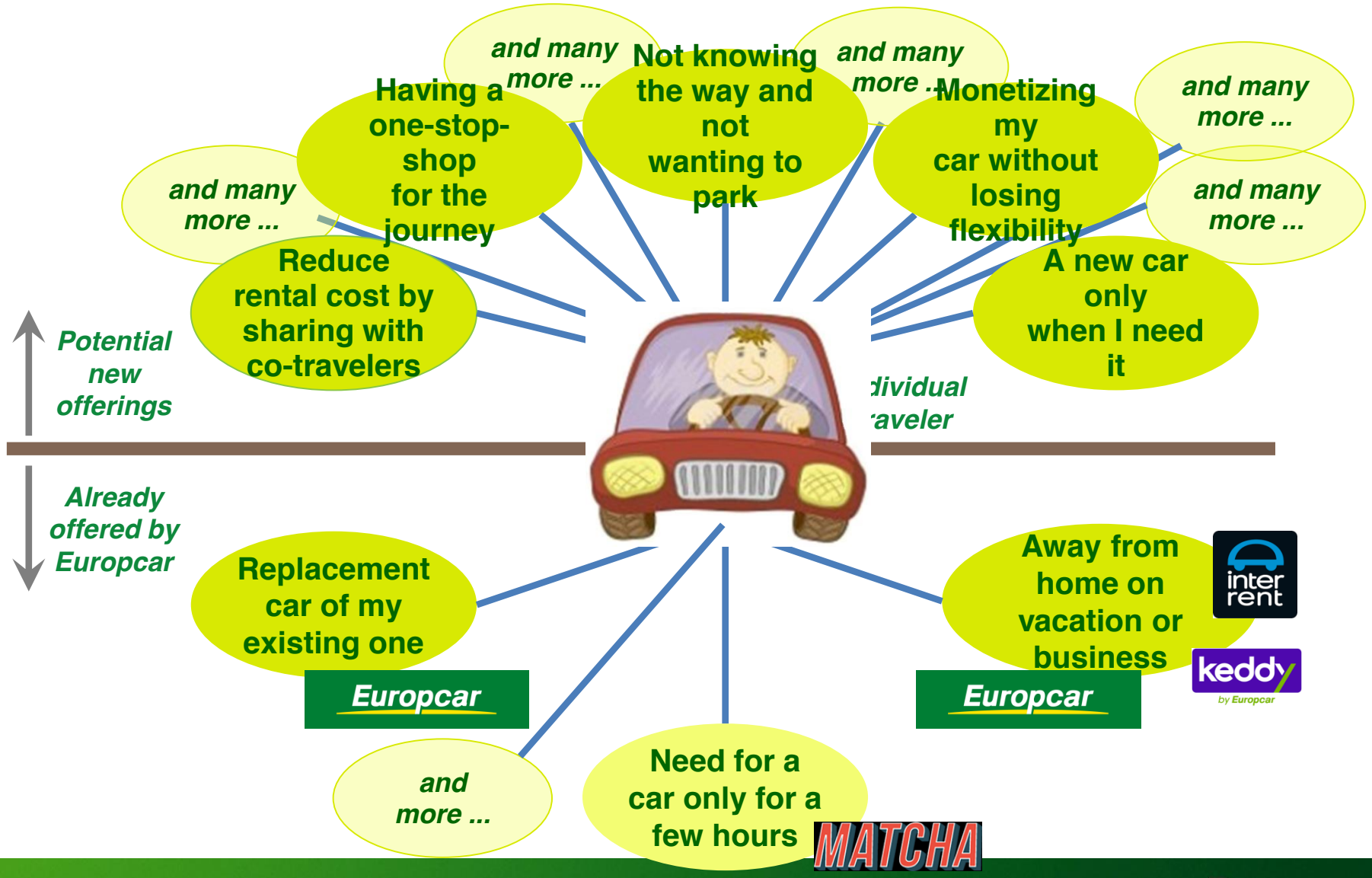
- Connectivity (internet of things)
- Autonomous cars

Digital changing how we interact with the world

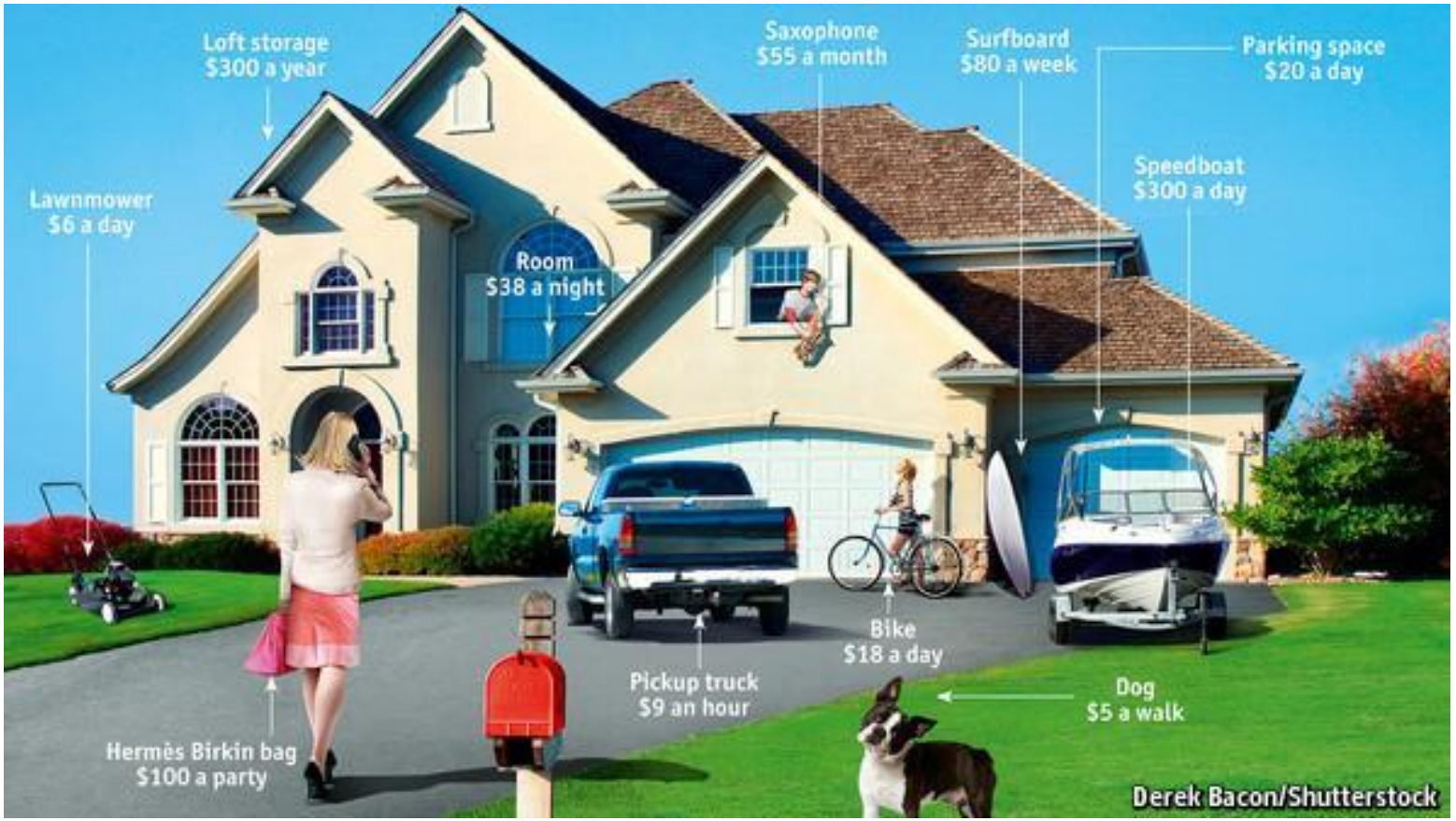
- Customer journeys fully digitalized
- Stronger engagement possible with consumers

Tomorrow's mobility is here and will reach Europcar's customer base / habits by 2020

Many new use cases to be potentially addressed



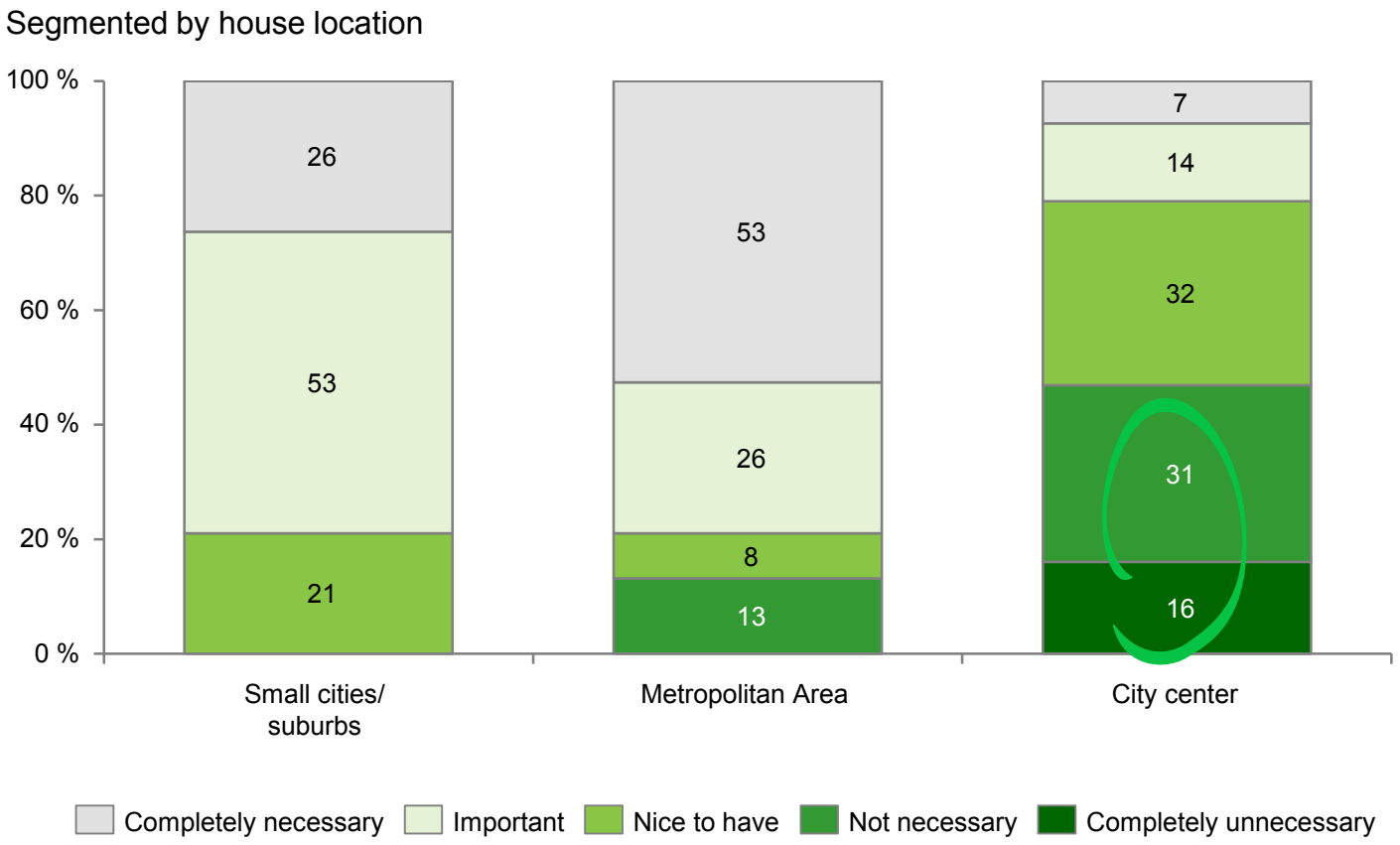
The rise of the sharing economy is changing our attitude towards owning



Everything becomes sharable

People living in smaller cities are more likely to need a car while almost 50% of urban residents feel no need to own one

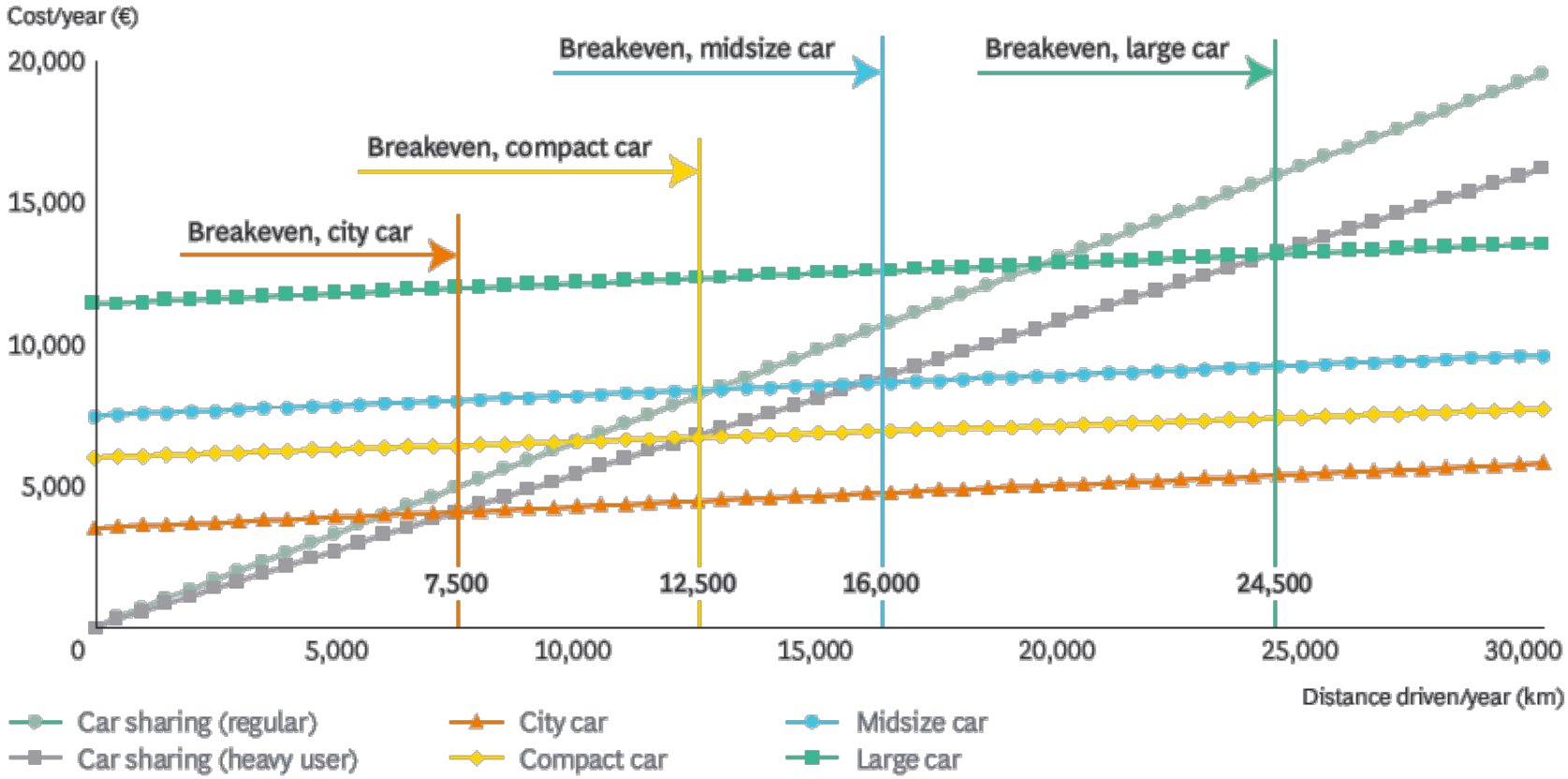
Is it necessary for you to have a car?



Sharing proves to be economically attractive for a variety of uses

1a Segmentation and evolution of demand

2 What



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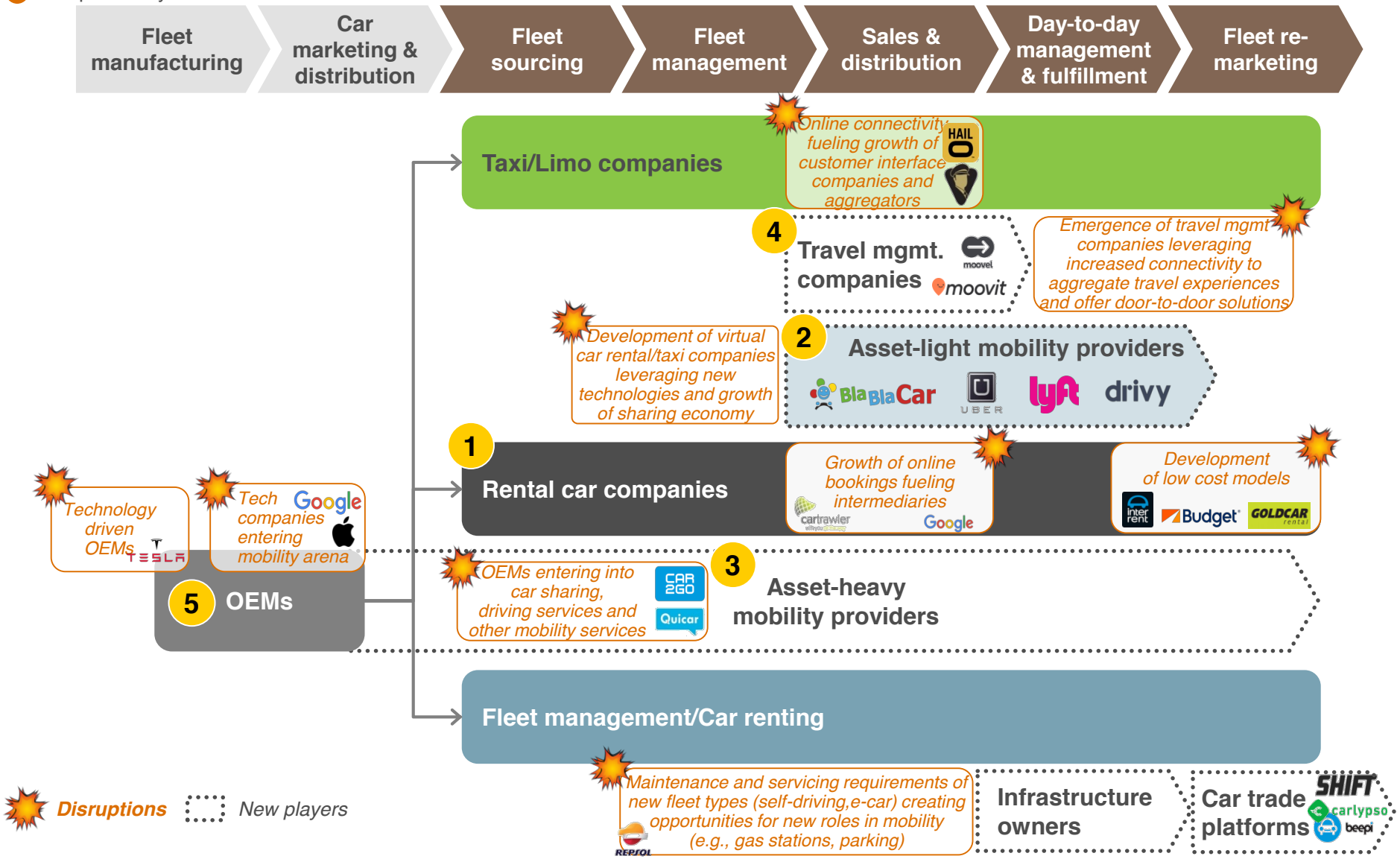
... are being disrupted from multiple fronts

Technology and new entrants fundamentally challenging the rules of the game

1b Competitive dynamics



... offering a door-to-door travel assistance value proposition

- **Alexandra** is a 29 year-old traveler who wants to visit a friend in Berlin over the weekend
- **Mobility need**: a user-friendly all-in-one travel management solution

Multimodal platform providers

moovit Qixxit moovel

User needs

Alexandra..

... wants to find the best (cheapest/most convenient) way to get to her destination

... wants to have a quick and easy overview about all available options

... needs to know about any delays to avoid missing the next means of transport

... wants to access her tickets electronically

... wants to identify the next best means of transport at unfamiliar locations

... selects the preferred mobility option to reach her friend's home

Real-time information (e.g., delays)

Seamless payment (e.g., car sharing)

Illustrative

Travel planning	Travel booking	Local transit	Train to destination	Connecting mobility options	Car sharing to final destination	At final destination

Service offerings

The personalized app supports the user in door-2-door travel planning and booking

The user is provided with real-time information during the entire trip

Mobile ticketing for different means of transport is integrated

The app compares connecting mobility options and navigates the user to the selected options

The app includes additional relevant information on the final destination

OEMs reacting to demand trends with ambition to become mobility providers

OEMs conforming more and more to the trend

Megatrends force OEMs to rethink

- Western markets aren't growing much
- Owning a car isn't a must anymore
- Willingness to share increases ("share economy")
- New opportunities from big data/networking

OEMs reworking their current strategies

- More focused approach of younger groups
- OEMs expanding their business fields to custom mobility services
- Increasingly seamless transition between full-service leasing, rental models, and car sharing
- Car sharing as step in introducing electric cars
- Gain experience regarding use and demand

BMW will become "the world's leading provider of premium products and premium services for individual mobility"

Norbert Reithofer, CEO BMW

"In Hamburg and Vienna, we had our first months [of Car2Go] with positive net income — that could become a profitable billion dollar industry."

Dieter Zetsche, CEO Daimler

... with OEMs developing offers all across the mobility spectrum

1b Competitive dynamics

5 OEMs

Non-exhaustive

Mobility topic	BMW	Mercedes-Benz	Volkswagen	GM	Toyota	Honda	Nissan
Car-Sharing	DriveNow	car2go BLACK / car2go	Quicar	Let's Drive NYC / CarUnity / RelayRides	Ha:mo RIDE	Honda Cars スムーズレンタカー	チョイモビ / Enterprise CarShare / Communauto / JTB
Multimodal travel mgmt	MyCityWay / moovit	moovel / RIDESCOUT					
Car rental	AlphaCity / BMW ON DEMAND	carpooling.com / Mercedes-Benz Rent	EUROMOBIL RENT-A-CAR	OPEL Rent Die Autovermietung	TOYOTA レンタリース	HONDA	日産レンタカー
Parking Services	Parkopedia / INRIX go anywhere	2GETHER / gottapark	V-CHARGE				
Driving Services	SUMMON	BLACKLANE LIMOUSINES / mytaxi					

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Impact of new mobility trends

Drivers for decreasing car sales	• Higher utilization of shared cars reduces required vehicle park in any given year • Replacement due to damages/accidents will be reduced in self driving vehicles • Shared rides reduce overall mileage driven by vehicles
Delivery for increasing car sales	• Car travel becomes more convenient thus taking share from public transport • Owned cars could see trading-up to more premium cars (higher revenue per car)

Segmentation in 2 major categories of cars	• Disposable cars :
	  • low cost
	  • 2 years life cycle
	  • High usage
	• Pleasure cars :
	  • Individually owned
	  • Car rental companies owned
	  • Hi level of equipment

Car Sales	• New cars (owned or leases) 27 % vs 2014 • New cars (shares) x 5

Threat of new mobility for other industries

- **Parking**
- **Oil & Gas**
- **Radio channel**
- **Car repair**
- **Insurance**
- **Medical sector**
- **Lawyers**

Thank you.

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