

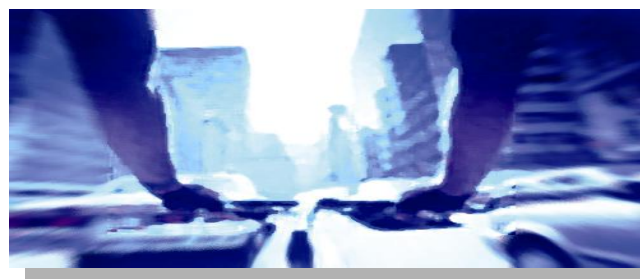


Ministero dell' Ambiente
e della Tutela del Territorio

Car Sharing in Italy

I.C.S. Project

INTEGRATION WITH PUBLIC
TRANSPORT IN 5 CITIES



Florence, 4-5 december 2003





Car Sharing service is gaining not only ever more public opinion interest, but also a growing number of customers and ever increasing territorial extension.

In all the countries where Car Sharing is operating, it can be noted an homogeneous strong trend to structure Car Sharing as a **product/service**, meaning a new mobility service that is laboriously growing and searching for its reference market.

Car Sharing is gradually becoming part of the group of transport modes that characterizes our culture and society.



The special outline of the service implies a series of consequences that make a big impact on the culture and habits in mobility:

- ▶ the concept of fixed costs/additional marginal costs (a concept that characterizes car ownership and its unrestrained use) for the consumer vanishes: **the consumer only has to deal with variable costs**
- ▶ every time the consumer chooses to use Car Sharing makes a **conscious choice**, in terms of costs/convenience. Therefore the consumer is encouraged to become a **rational consumer**, also for mobility
- ▶ the marginal convenience of car use vanishes and the remarkable economic **convenience of public transport** becomes evident, so encouraging its use



Car Sharing produces a series of beneficial effects when considering the social use of resources and the environment:

- ▶ the increasing use of public transport generates a **reduced individual mileage**
- ▶ the reduction of vehicles on the roads **diminishes the parking problems** in urban centres
- ▶ the increased use of Car Sharing vehicles instead of private vehicles produces a **more rapid rotation of the car fleet**, with a reduced average age of the vehicles
- ▶ the cultural change and habits encouraged by Car Sharing contribute to **create a general culture of sustainable mobility**



The role that C.S. could play in the future will be directly proportional to its diffusion and its weight regarding other modal alternatives.

As already clearly demonstrated by all the experiences carried out, the development of C.S. is proceeding at a similar pace with that of public transport.

If public transport satisfies the consumer systematic mobility needs



Car Sharing is able to offer those margins of flexibility and comfort that a mass transport cannot offer



Car Sharing as a flexible public transport

Empirical evidence and literature have shown that C.S. spreads more quickly in those cities that already have a good public transport system and that the inclination towards the use of C.S. is greater in people who already use public transport.

Car Sharing represents one of the means that Public Administrations, Mobility Agencies, local PTO have for improving the mobility package and integrate the unavoidable limitations of public transport.



Car sharing should be considered as a

**FLEXIBLE FORM OF PUBLIC TRANSPORT FOR
INDIVIDUAL ACCESS**





The **sharing model** (the acquisition of the use of a good rather than the good itself) completely redefines the characteristics of the car transport mode, moving its barycentre towards a **real alternative to ownership**



Car Sharing should be actively supported by Public Departments, as is usual in the development of this type of product/market, **not merely with subsidies**, but with the creation of framework conditions which encourage a rapid development



ICS – Iniziativa Car Sharing was created in October 2000 and it is a legal agreement among Local Bodies, according to the item 30 of Law n. 267



essentially

A national co-ordination structure promoted by the Ministry of the Environment, gathering the main Italian cities to set up local Car Sharing services, managed by different local companies but integrated in an unitary operational scheme.





- ▶ To support the start up of a national Car Sharing network
- ▶ To promote sustainable mobility policies in urban areas
- ▶ To set up a standard marketing and communication policy
- ▶ To integrate LPT with new transport services
- ▶ To ensure to the users a standard quality service
- ▶ To shorten as much as possible the time to market for Car Sharing services



FIXED STANDARDS

Homogeneous standards regarding services, emissions, safety

CO-FINANCING

ICS supports up to the 50% of the investments necessary to set up a Car Sharing service

OPERATIONAL FIELDS and SERVICES

Technology (management system)
Marketing and Communication
Technical and Legal Consultancies
National call centre/contact centre services

PROMOTION and CO-ORDINATION

- To increase the number of Cities involved in ICS
- Promotion of Car Sharing awareness
- Co-ordination of local experiences



CENTRALITY

Standard is necessary to warrant:

- **interoperability** (among cities)
- **minimum quality**
- **corporate image** and integrated communication
- **common services and user procedures**

ICS works on a Federative basis



AUTONOMY

on economical and organizational aspects



Municipalities members of ICS:

can choose their own Local Company for the Car Sharing service

The Local Companies are responsible for:

- prices and market policies
- vehicles maintenance and cleaning
- investments and other developments
- getting customers
- co-operation and integration with Local Bodies and other companies who provide mobility service
- customers satisfaction and personnel management


But they have to respect all the ICS standards and to adopt the same technology and services.





- ▶ To offer a good quality service it's necessary to operate the business on a large scale
- ▶ The breakeven point, from an economical point of view, with the ICS costs structure is over 40-50 cars with about a 30% use of the fleet
- ▶ The unitary margins are quite low, so the business is attractive for investors only on the big numbers
- ▶ It is not easy to promote the industrial interest for Car Sharing in the early phase of development. In this phase the service is often promoted by the cities and operated by the local transport companies



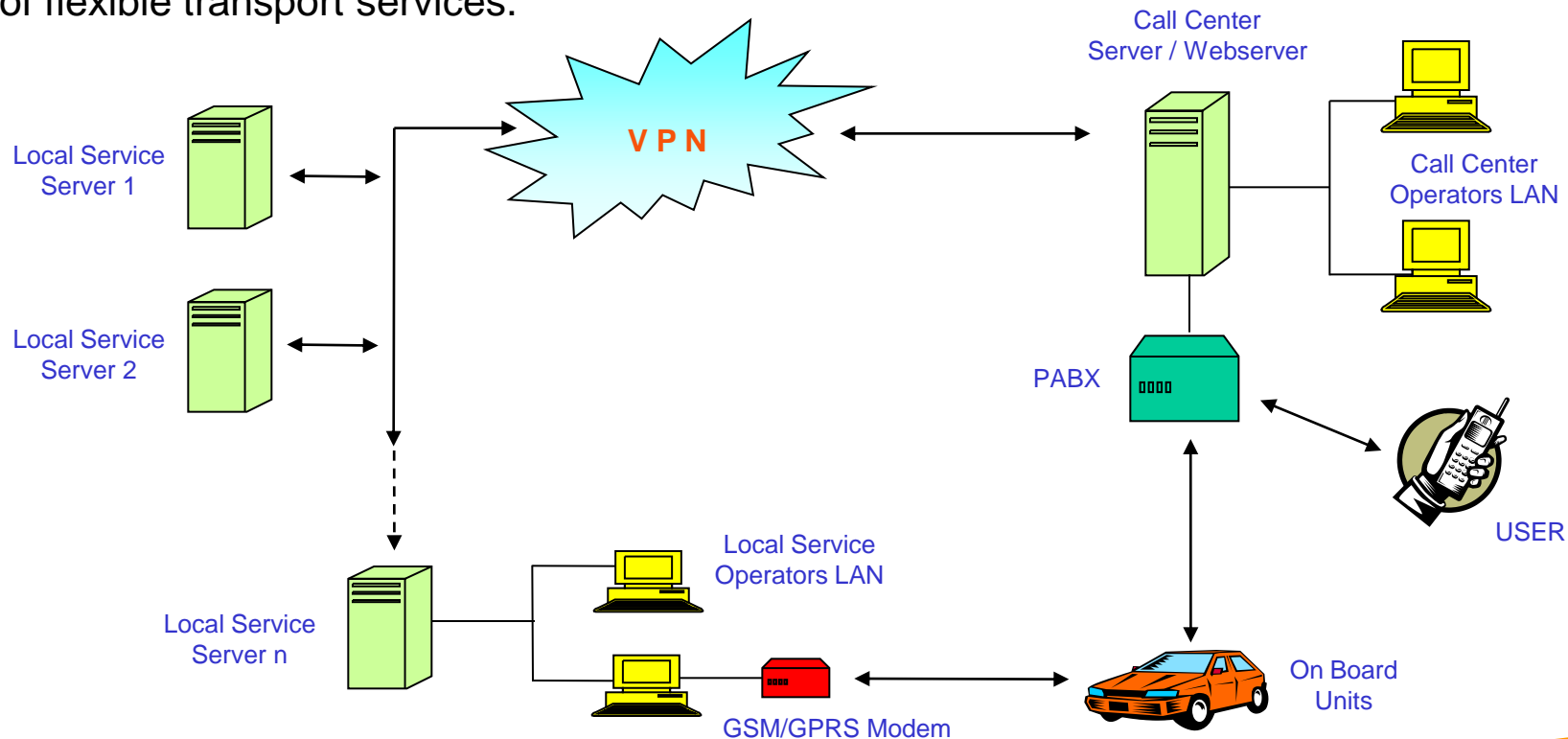
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- ▶ strong support of the central and local political bodies
 - ▶ integration between C.S. and public transport involving the local PTO
 - ▶ coordination of the ICS network companies within the ICS “Comitato dei Gestori” to plan a common development strategy and all the common operational aspects

**THE AIM IS TO SET UP CAR SHARING AS A
SELF-SUFFICIENT BUSINESS**



Architecture of ICS Technological System

A dedicated I.T. management system for Car Sharing has been developed by ICS. It is based on a common distributed architecture accessible to any C.S. company belonging to the ICS network, and shows many affinities with the typical architectures of flexible transport services.





The enterprise models adopted in Italy sees the predomination of the public transport companies as operators of the C.S. service:

On the nine projects financed by ICS the following survey data is recorded:

- in 3 cases the operator is the local public transport company
- in 4 cases it involves a mixed society between transport company and private business (2 of these are already activated and 2 are in progress)
- in 2 cases the business has been entrusted to a public or mixed services company

The models adopted in Italy facilitate the operators in market expansion, merging and fusion. So the convergence of local circuit is easier, a fact which represent a relevant trend across Europe, also from an entrepreneurial point of view.





The enterprise models in the local services started

TURIN

Car City Club S.r.l.: GTT (local PTO) + SAVARENT (FIAT group) + Autoservizi M. Canuto (private company)

VENICE

Servizio Car Sharing Venezia: ASM (Mobility Service Company)

BOLOGNA

Caratc: ATC (local PTO) + ATC partners

**Province
of RIMINI**

Bluecoast: ATC (Bologna) + TRAM (local PTO) + DIESIS (private company)

MODENA

Io Guido Car Sharing Modena: ATCM (local PTO)



	START	CARS	USERS	PARKING	MONTHLY RUNS	MONTHLY KM
TURIN	Nov. 2002	25	407	18	534	32.290
VENICE	Aug. 2002	22	385**	5	N.A.	24.720**
BOLOGNA	Aug. 2002	22	500	9	550	37.000
RIMINI	Summer 2002* Mar. 2003	15	147	11	74	5.793
MODENA	Apr. 2003	10	39	6	115	14.228
TOTAL		94	1478	49	N.A.	114.031**

Till now more than 640.000 km in more than 71.000 hours of cars usage

Last Update: October 2003

* Experimental

** Data referred to Sep. 2003





Italian Car Sharing – a light comparison in Europe



	START	ORG	CARS	USERS
ITALY*	2001	6	103	1800
GERMANY	1988	60	2000	50000
SWISS	1987	1	1700	44000

In Germany, the customers of StattAuto, a society which operates in Bremen since 1990, has gone from the initial 28 customers to 1,700 in 2001, with a monthly growth rate of around 14 units compared to the 27 in an average Italian city, just at the beginning of the service.

* Including Milano Car Sharing – out of ICS circuit



Integration of C.S. operators with local PTO can be identified in three distinct levels:



PLANNING



COMMERCIAL



INFORMATIVE AND PROMOTIONAL





PLANNING

Before considering the requests for financing, ICS make a precise requirement for the operators and Public Departments to produce a detailed planning design of C.S. system and its evolution over a medium term time period.

The project must include:

- ▶ analysis of the characteristics of mobility and of public transport
- ▶ highlighting the network integration measures to be adopted



COMMERCIAL

Such initiatives represent a form of direct incentive, whose advantages are immediately perceived by the customer and whose efficiency is verifiable by the operator.

The public transport season ticket holders are a group of important potential customers for Car Sharing. The most common practice to reach this target is represented by:

- ▶ co-marketing agreements between C.S. operators and local PTO
- ▶ integrated fares for season tickets (generally annual ones)





INFORMATION/PROMOTION

On this level, possible actions are obviously manifold, sometimes directly linked to the commercial actions, on other occasions with a wider cultural bent.

▶ In Turin, due to an institutional and commercial collaboration agreement between CCC and GTT, an information poster promoting Car Sharing will be displayed on all the 1,500 GTT transport vehicles.

▶ In Bologna the Municipal Transport Company, ATC, who manages the service directly, offers advertising space on its vehicles and at bus stops for targeted advertising and distributes C.S. information leaflets in its contact points.



The support role of the Local Bodies is evident in some interventions that can be decisive:

- ▶ real benefits from the cities to the C.S. cars: access to LTZ, use of bus lanes, free parking in “blue areas”
- ▶ market support, through the use of Car Sharing to substitute part of their own fleet of vehicles to cover their employees mobility requirements
- ▶ awakening public opinion to the demand through promotional and communication campaigns



TURIN

VENICE

BOLOGNA

RIMINI

MODENA

In all these cities the Car Sharing service has been promoted by the Local Bodies which also support it giving:

- free access to LTZ
- free parking in “blue areas”
- use of P.T. reserved lanes

In some of these cities the Municipal Offices are (or are going to be) also customers of the Car Sharing service.



▶ **Modena Municipality** and the **Province of Rimini** are both Car Sharing customers

▶ In **Turin**, thanks to a co-marketing agreement between Car City Club and GTT, a 20% discount on the annual Car Sharing subscription has been offered to the 30,000 students subscribers of an annual or multi-monthly public transport season ticket

▶ In the **Province of Rimini** the first 50 citizens who subscribed to Car Sharing received a free of charge season ticket for the urban public service



- ▶ C.S. is commonly seen with a high degree of interest by a large portion of the potential users in urban environment
- ▶ It is supported by Public Bodies which gives benefits to the users and can also represent a relevant customer for the Car Sharing operators
- ▶ It is mainly operated by (or with the co-operation of) Local Public Transport Companies: this gives big opportunities of integration and common policies
- ▶ The particular history and structure of Italian Car Sharing makes easier the concentration processes for operators, and their possible turnover



- ▶ The same history and structure of Italian Car Sharing require high investments and significant structures
- ▶ At the moment Car Sharing represents, from the entrepreneurial point of view, a highly risky activity and this makes it difficult to stimulate the offer
- ▶ The structure of company costs requires to speed up as much as possible the growth rate to autonomously survive, without the need to be funded by Local Governments
- ▶ There is no legislation concerning Car Sharing. It is urgent to define Car Sharing as a particular form of public transport