

Car Clubs – Business or Charity

TRICS 2005 Conference
Achieving Sustainable Growth

Dirk van Dijk



www.citycarclub.co.uk



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Bill Ford, Chairman of Ford Motors



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Agenda



- What is a car club, who is CityCarClub and how does it work
- Is the UK market suitable for car clubs
- Can car clubs be self sustainable
- What are the dangers for car clubs
- Business or charity

What is a car club?

- A group of people sharing the use of a collection of cars



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CityCarClub

- Established in 1999 as the first commercial car club operator in the UK
- Operations in London, Edinburgh, Brighton, Bristol and Huddersfield
- Opening up in Bath, Lichfield and Portsmouth this month
- Some 150 cars

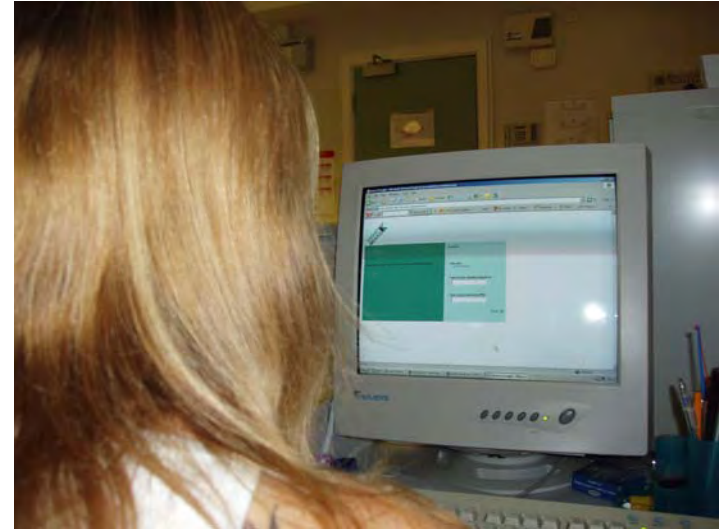
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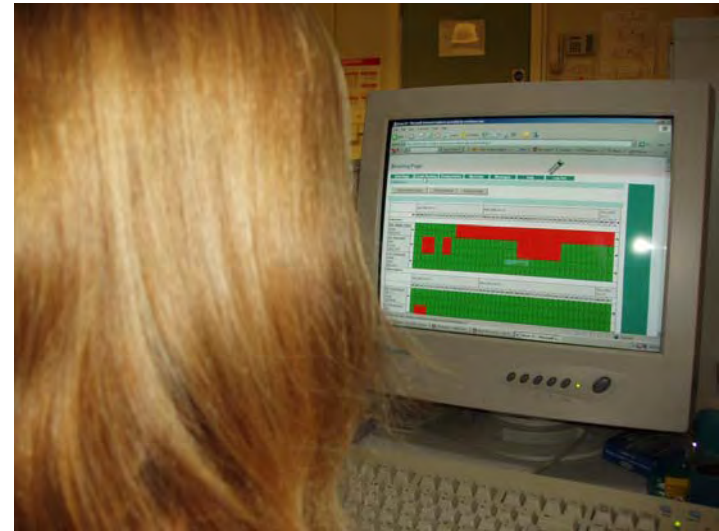
How does it work?

- Become a member



How does it work?

- Become a member
- Book a car



How does it work?

- Become a member
- Book a car
- Access the car with a smart card



How does it work?

- Become a member
- Book a car
- Access the car with a smart card
- Enter PIN and drive off



Is the UK suitable for car clubs



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Is the UK suitable for car clubs

- “We love our cars more than any other country”



Is the UK suitable for car clubs

- “We love our cars more than any other country”

Car ownership in the UK is lower than in the US, Italy, Portugal, Germany, Austria, France, Belgium, Spain and Sweden



Source: [Statistical Yearbook of the UNECE 2005](#) [PDF, 107 KB]

Is the UK suitable for car clubs

- “Our public transport is no good”

Is the UK suitable for car clubs

- “Our public transport is no good”

Compared to who?

Is the UK suitable for car clubs

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Is the UK suitable for car clubs

- More active government than most countries

Is the UK suitable for car clubs

- More active government than most countries
 - Congestion charging
 - Road user charging
 - Fuel prices
 - Controlled parking zones
 - Parking ratios

Can car clubs be self sustainable

Can car clubs be self sustainable

- No – the unsuccessful car clubs are
 - Unfocused
 - Rural
 - Subject to well intentioned interventions
 - Stagnating
 - Have little environmental impact
 - Do not reduce congestion

Can car clubs be self sustainable

- Yes – the successful car clubs are
 - Commercial
 - Unregulated
 - Given space to develop
 - Growing fast
 - Have a positive impact on the environment
 - Reduce congestion

Car clubs around the world

<u>Country</u>	<u>Club</u>	<u>Organization</u>	<u>Comments</u>
Switzerland	Mobility	Cooperative	Marginally profitable; lots of 'outside' support
Austria	Denzel Drive	Commercial	Unknown
Germany	various	Mostly cooperative	Dubious success; lots of state (DB) intervention
Netherlands	Greenwheels	Commercial	Profitable and expanding beyond borders
US	Zipcar	Commercial	Profitable and growing fast
US	Flexcar	Commercial	Profitable and growing fast

What are the dangers for car clubs

- Side issues
 - Alternative fuels
 - Types of vehicles
 - Operating procedures



What are the dangers for car clubs

- Side issues
- Short termism
 - Short contracts
 - Flavour of the month investment
 - Strategy changes

What are the dangers for car clubs

- Side issues
- Short termism
- Intervention
 - Dictating rates
 - Surveys

Are car clubs a business or a charity

- It must be a business if it is going to be successful
- Being a business is not at odds with the aims of car clubs
- Being a business gives car clubs focus

Are car clubs a business or a charity

- Car clubs are one element of public transport which can be self sustaining given a bit of pump priming
- Car clubs have started to grow dramatically since they have become commercial ventures

Some final thoughts

- Had Napoleon conquered the UK

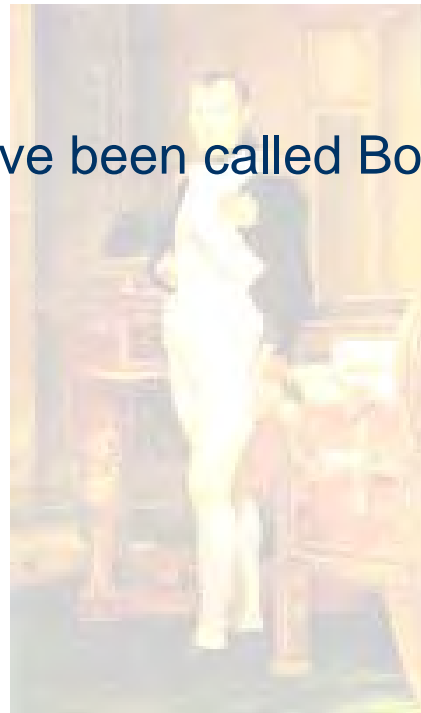


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Some final thoughts

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- London would have been called Bonaparteville



Some final thoughts

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 - London would have been called Bonaparteville
 - We would have spoken French or at least fluent Franglais



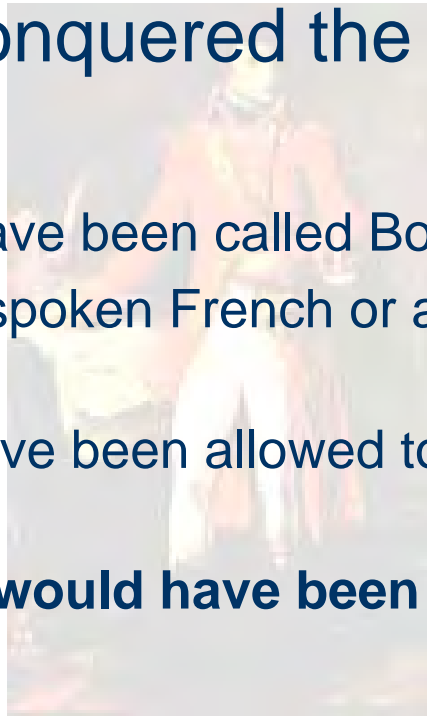
Some final thoughts

- Had Napoleon conquered the UK
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 - We would have spoken French or at least fluent Franglais
 - We would not have been allowed to develop the English kitchen



Some final thoughts

- Had Napoleon conquered the UK
 - London would have been called Bonaparteville
 - We would have spoken French or at least fluent Franglais
 - We would not have been allowed to develop the English kitchen
 - **But at least we would have been driving on the right!**



Thank you for your attention

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