

# Who is cambio?



Operators since 1990

Merger in 2000 (Cologne, Aachen, Bremen)

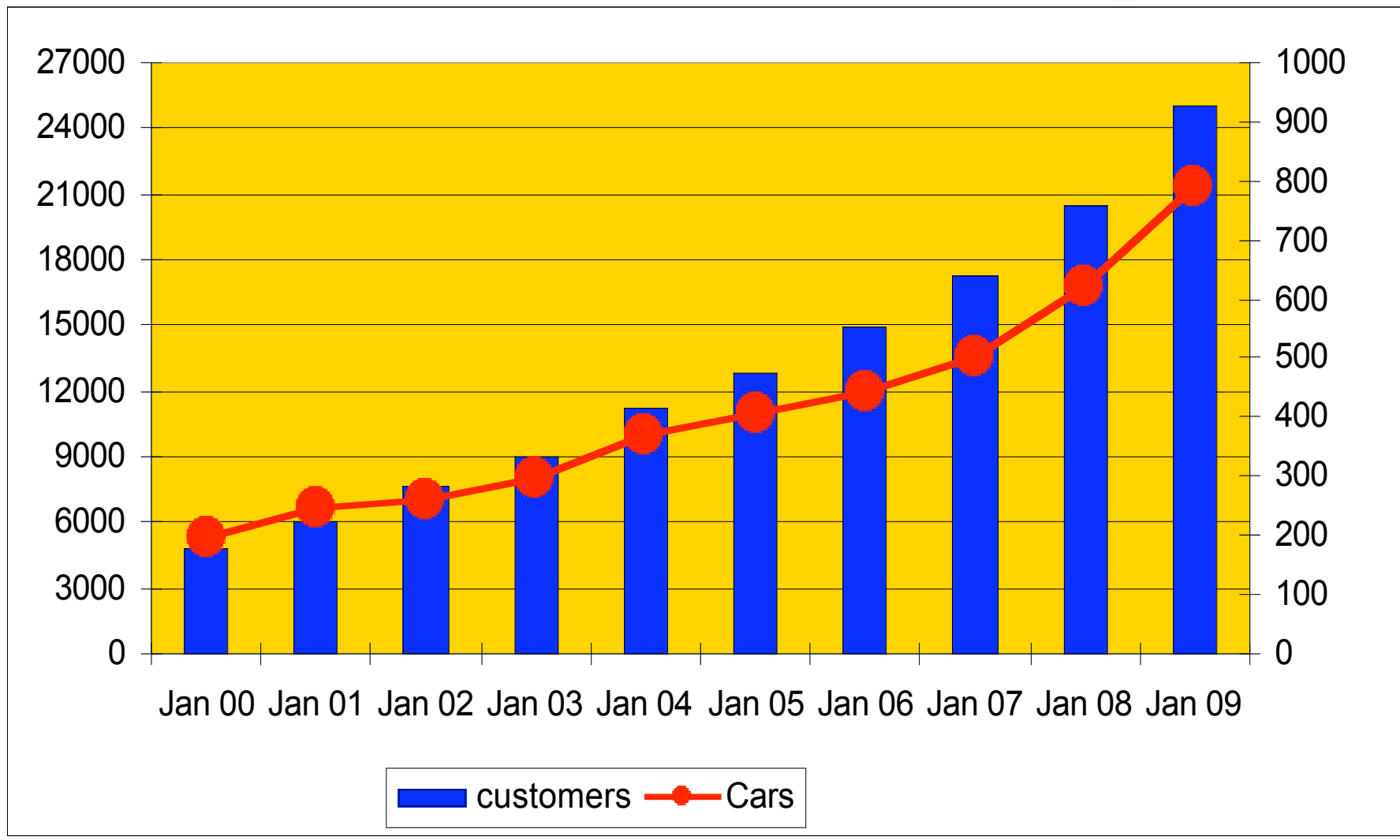
Multilingual system provider for independent local companies

**Today** 13 Belgian and 9 German cambio cities with 26,500 customers

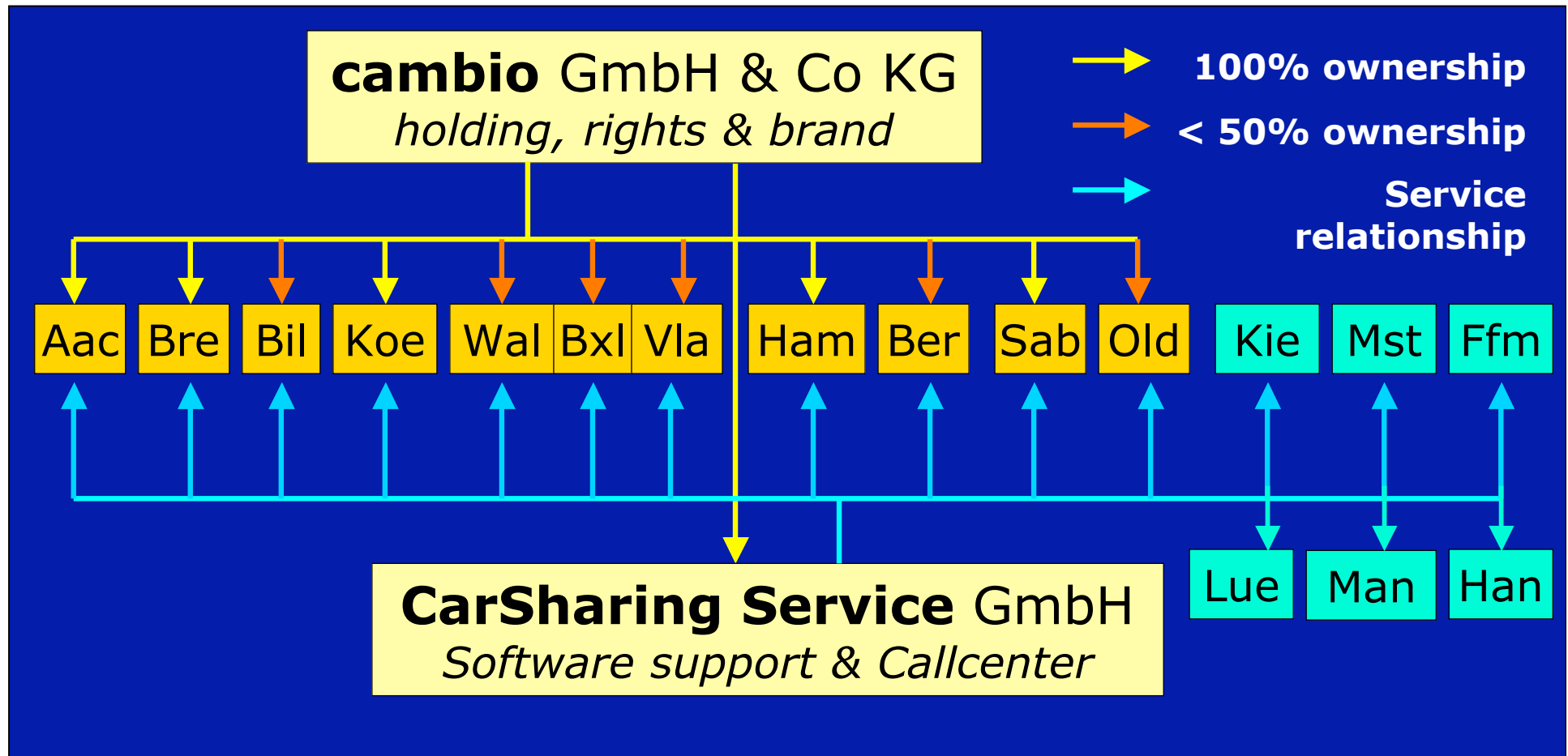
3 non-cambio companies with 4,000 customers on our servers

Plus 3 further companies with 11,000 customers on our call centre

# Stable growth in cambio



# Structure of cambio





## The reservation network



# Difference USA/UK vs. Continental



- **speed of growth:**

zipcar, Streetcar, City Car Club grow faster, than car clubs in Germany, Switzerland or Austria

- **capitalization**

Cambio has < £800 capital per car  
in UK it is > £2,500 per car ?

**>> Who is the one to learn?**

# Differences

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- Size of locations
- Pricing structure
- Availability?
- Target group?
- Quality?

# *Why don't we copy location size?*



- **Location size:**

1-2 cars/loc (UK) >< 4-5 cars/loc (cambio)  
onboard technology vs. electronic lockers

- **Pro „big“ locations:**

- Availability (chance to get a car at right time, right spot)
- Reliability in any situation (delay, dirt or crash)
- Utilization rate can be optimized
- Operation (staff trips for carwash and control)
- Technology costs (GSM, devices)
- Open Ended option
- Use of underground car parks possible

# Location size (2)



## **More pro „big“ locations:**

- Potential business users take the car club option more seriously

## **Pro „small“ locations:**

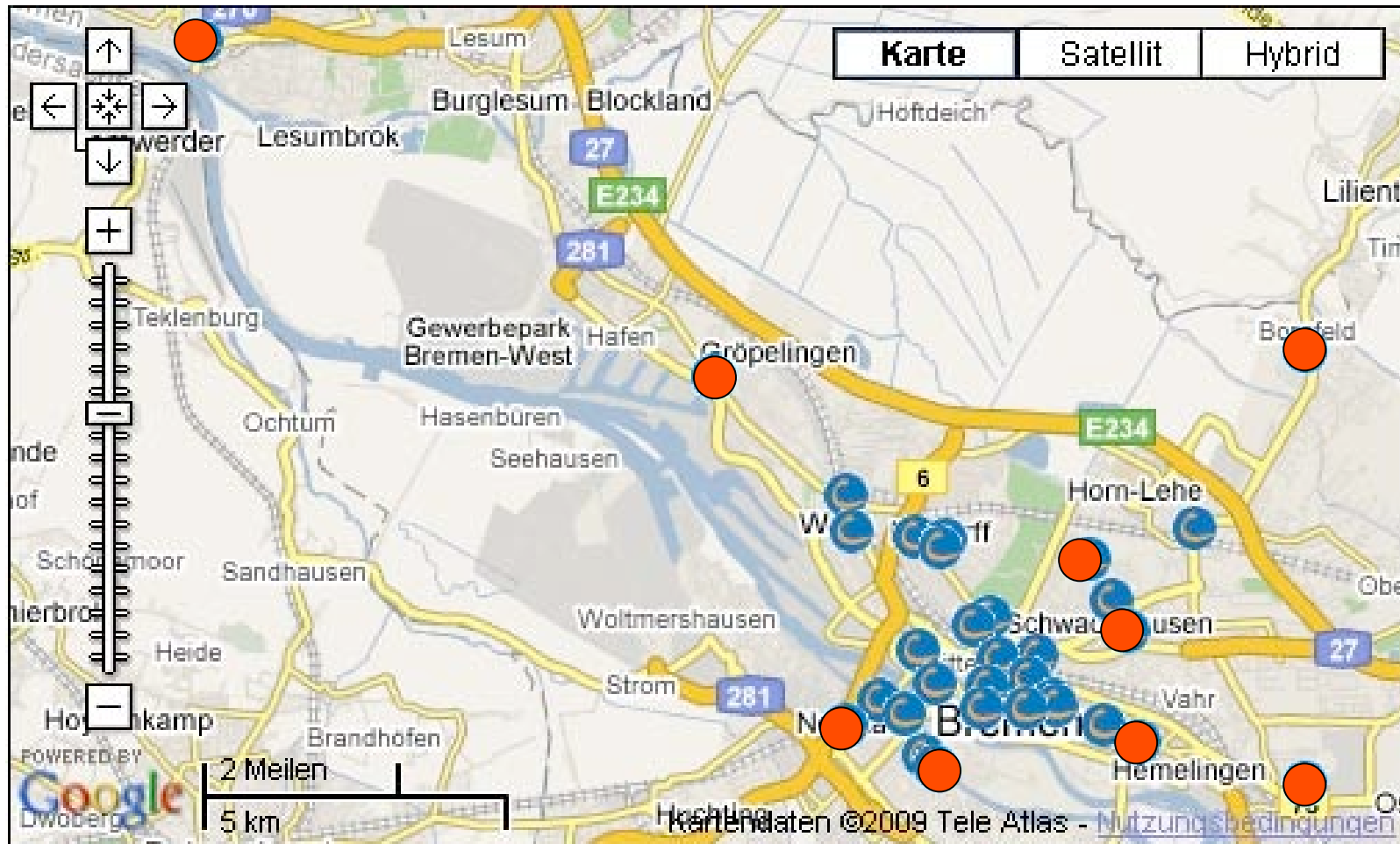
- Short distance home to car
- Reduce dependency on communications technology (hardware, GSM cell)
- Public parking available
- On-street parking needs no access information
- Flexibility to move or give up a location

# Location size - mix



● BC – locations

● Locker locations



# Location size (3)



## Pro Mix:

- Combining economic advantages
- Reduces risk in „outskirts“ development

## Contra Mix:

- Customers have to learn two systems
  - Staff have to learn two systems
  - Demand driven car allocation is difficult
- 
- Mixed cities are: AAC; BRE; BIL  
BEL 2,5 cars/loc: 100% BC; GER 4,5 cars/loc 20% BC

# Why don't we copy the pricing?



## Admission fees:

£0 (UK) >< £26 (cambio) (£60 Streetcar)

> long term relationship >< easy in and easy out

## Membership fees: (monthly/annual)

£2 zipcar, £4 CCC, - £ streetcar >< £2.60 cambio

> Fairly similar levels

## Riding fees:

£4-5/hour incl. 30-60 miles free (UK)

£1.70/hour + 40 p/mile (mile 1-60)

*(above 60 miles all around 24 p/mile)*

# Why don't we copy the pricing?



**Short standard trip** (6 h / 20 miles):

£24-30 (UK) >< £18 cambio (UK +50%)

**Very short trips** (2 h / 10 miles):

£8-10 (UK) >< £7 cambio (UK +22%)

**day trips** (24 h / 120 miles):

£45-66 (UK) ><£60 cambio(fairly even = cheaper)

Riding fee structure in GER matches short trips – UK structure earns more out of the unique position of car clubs' great strength (24h access - short trip)

*(With 2008 exchange rates short trips were 70% more expensive)*

# *Why don't we copy the pricing?*



## **Questions**

- Does the UK fee structure result in different ride compositions? Less short trips?
- Does pricing seem easy and cheap to joiners but looks higher on the monthly bill? Does that affect the customer? (learning curve, duration of membership)

# *Why don't we copy the pricing?*



## **Questions**

- There is competition (4 providers in London)
- Still no one introduced „continental“ pricing
- In Germany some competitors tried to introduce „UK-pricing“ (DB, Greenwheels) but gave up
- Reasons? Mentality? Persistence?

# ***Why don't we copy the availability?***



## **Assumption:**

- The UK/US approach combines higher pricing with lower utilization (6-7h/day) – this should result in better availability at the same turnover per car.

## **Other factors influencing availability:**

- Location size
  - Software optimisation
  - Balance of business and private use
  - Cancellation conditions (65% refund; Autostorno)
- >> Maybe the UK availability is not higher than within cambio (94%). Is there public data for UK?

# ***Why don't we copy the availability?***



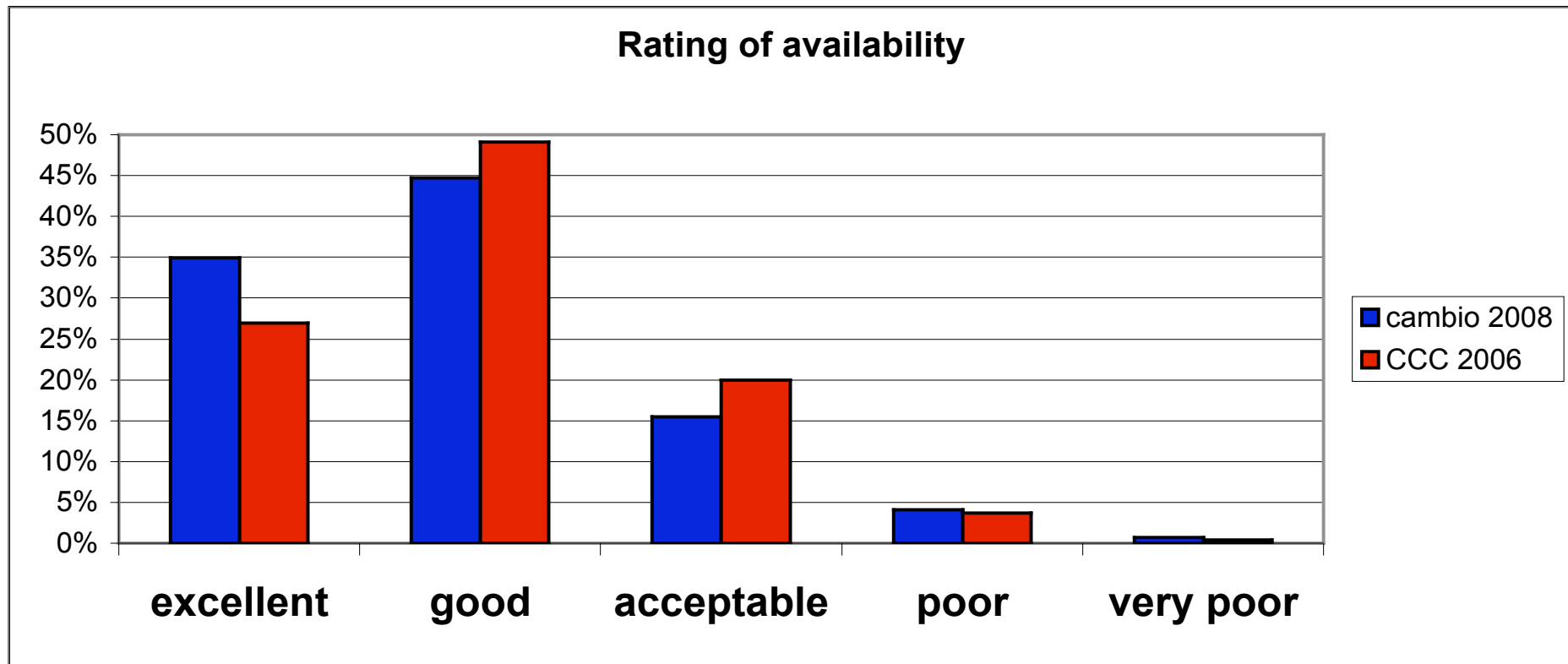
## **A re-construction:**

- Zipcar claims: 250,000 customers and 5,500 cars. Utilization of 7 h/day is reported. Result: 4,7 h car use per customer.  
> cambio customers rent 100% more time!

## **Frequent users:**

- concerned about availability
- more sensitive about prices
- What helps to keep them as frequent customers?  
Low prices or high availability? – see target group

# Why don't we copy the availability?



**cambio had a better rating for availability in 06 than 08  
What about zipcar and Streetcar?**

# *Should we shift the target group?*



## **The target group**

- Target groups of CCC and cambio seem similar
- Streetcar and zipcar seem to address younger people, with less children, less income and less renting hours per person
  - Type of cars
  - No or small monthly fee
  - Style of website
- cambio doesn't keep people, who don't use the service
- cambio tries to address the customer's needs through different phases – long-term relationship

# *Should we shift the target group?*



## **Questions:**

- Target group and marketing strategy of UK/US companies bring an impressive growth
  - Proportion of people without ride in last 12 month?
  - Amount of problems (Process misunderstood, lost chip cards, delays, complaints, dirty cars...) that occasional users create
  - Are young users responsible for more accidents and increased insurance costs?
  - Is car club membership „instead of owning a car“ or „car club until I can afford to buy a car“?
  - How can small locations address business users?
  - What is the workday – weekend balance within the UK/US target group?

# *Should we copy the service quality?*



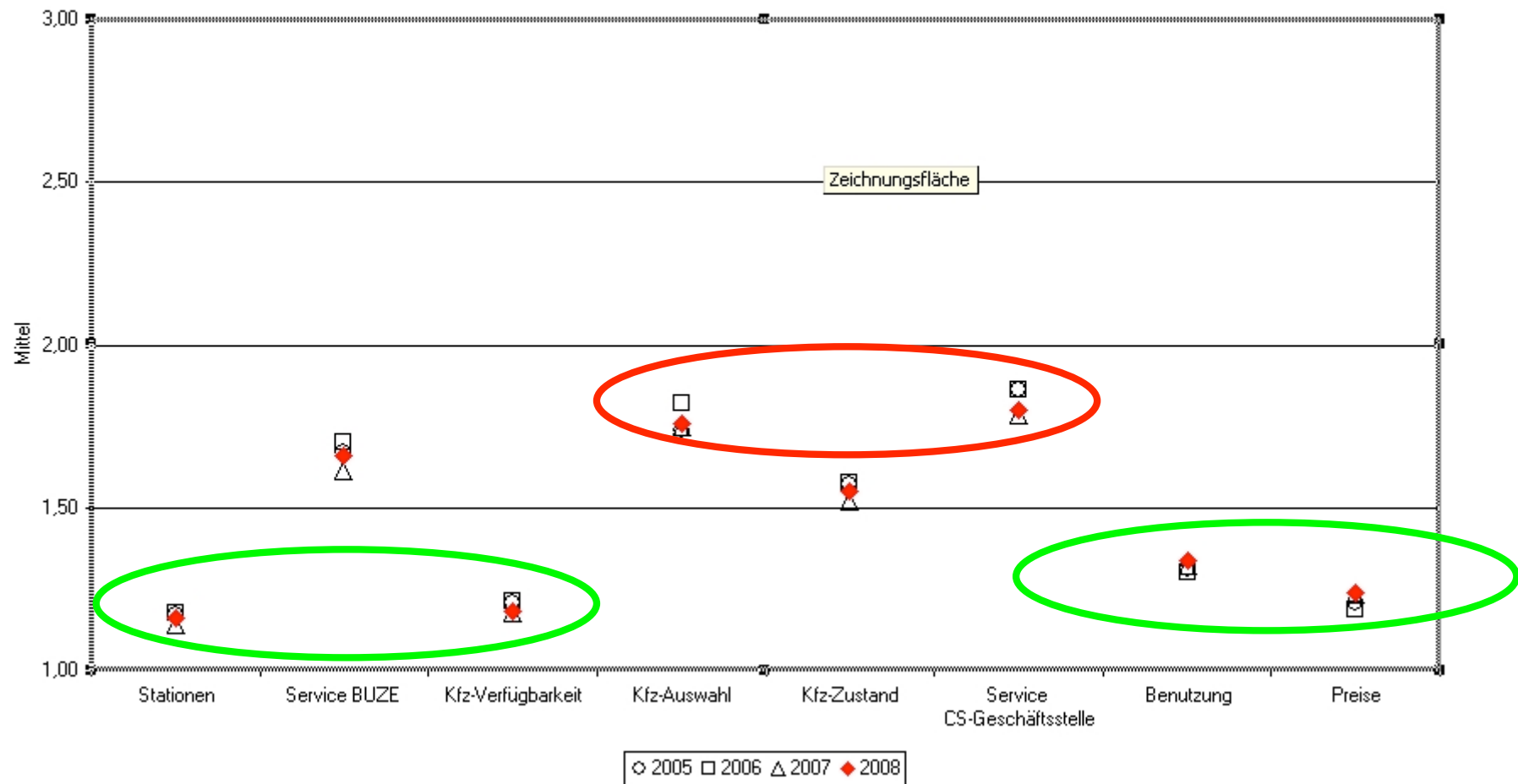
## **Questions:**

- Is UK car clubs' stronger growth a result of better quality? Or: Does cambio spend too much on quality and thus lacks the money to invest in faster growth?
- What is the value of quality compared to price in competitive situations (e.g. London)?
- How can we address the needs of customers that reduce car ownership by joining car clubs?  
(Frequent users need available cars)

# Should we copy the service quality?



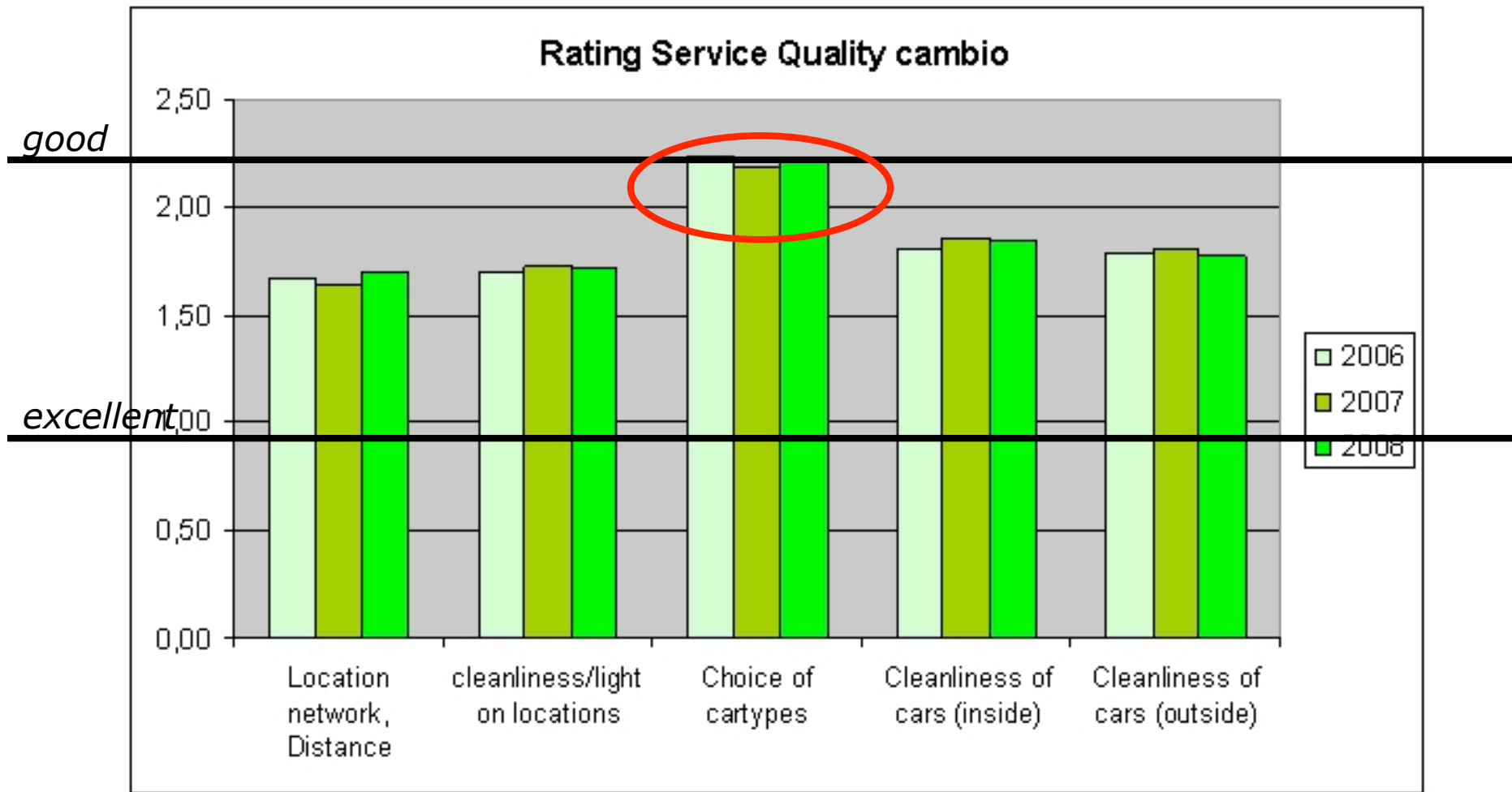
Abb. 6.16 alle Städte: Jahresvergleich "Worauf legen Sie besonderen Wert" (Mittel)  
Skala 1 bis 3 (sehr wichtig, lege Wert darauf, gänzlich unwichtig)



# Annual quality survey cambio

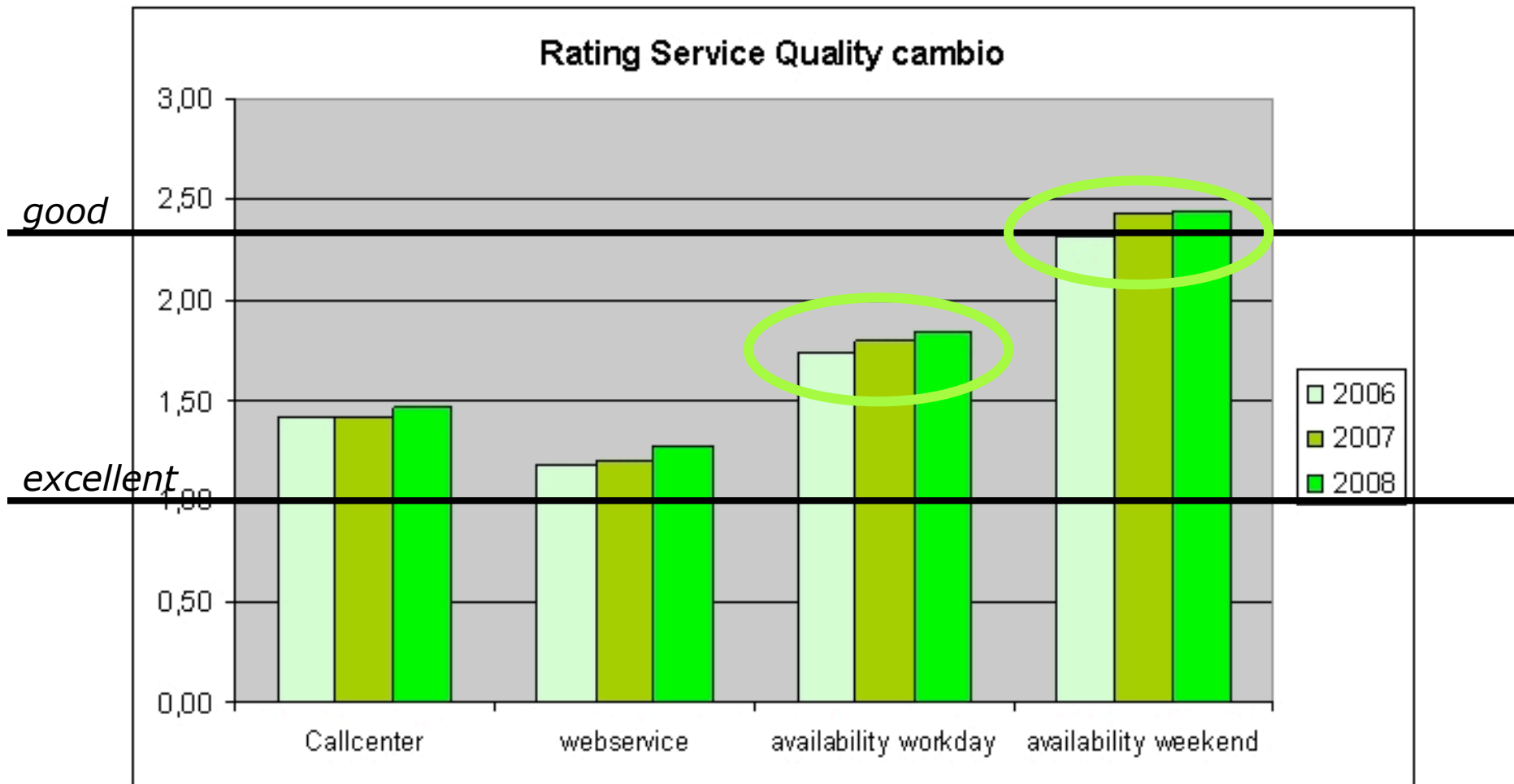


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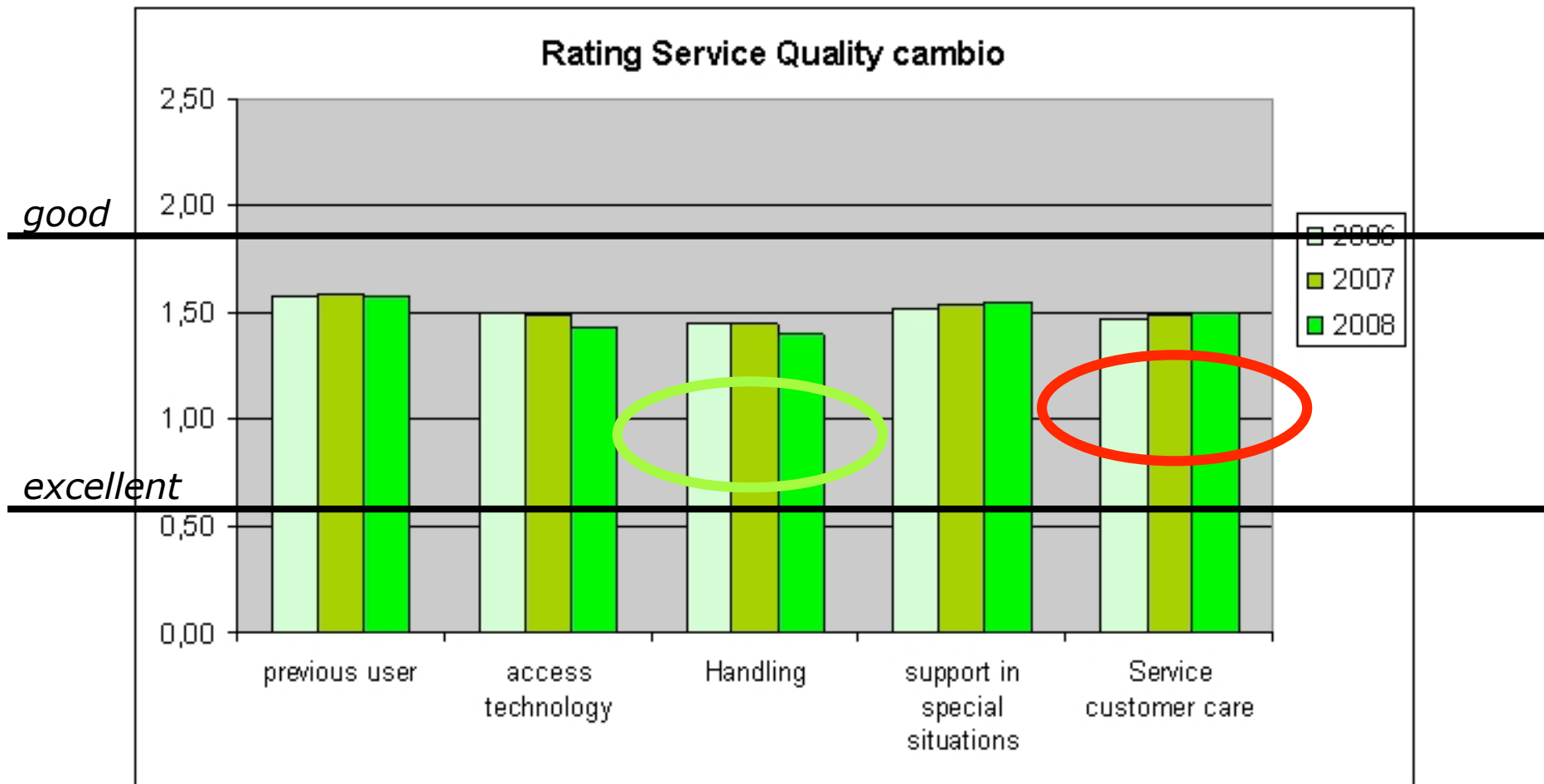
**6 grades, transferred to 5 (1 = excellent to 5 = very poor)**

# Annual quality survey cambio



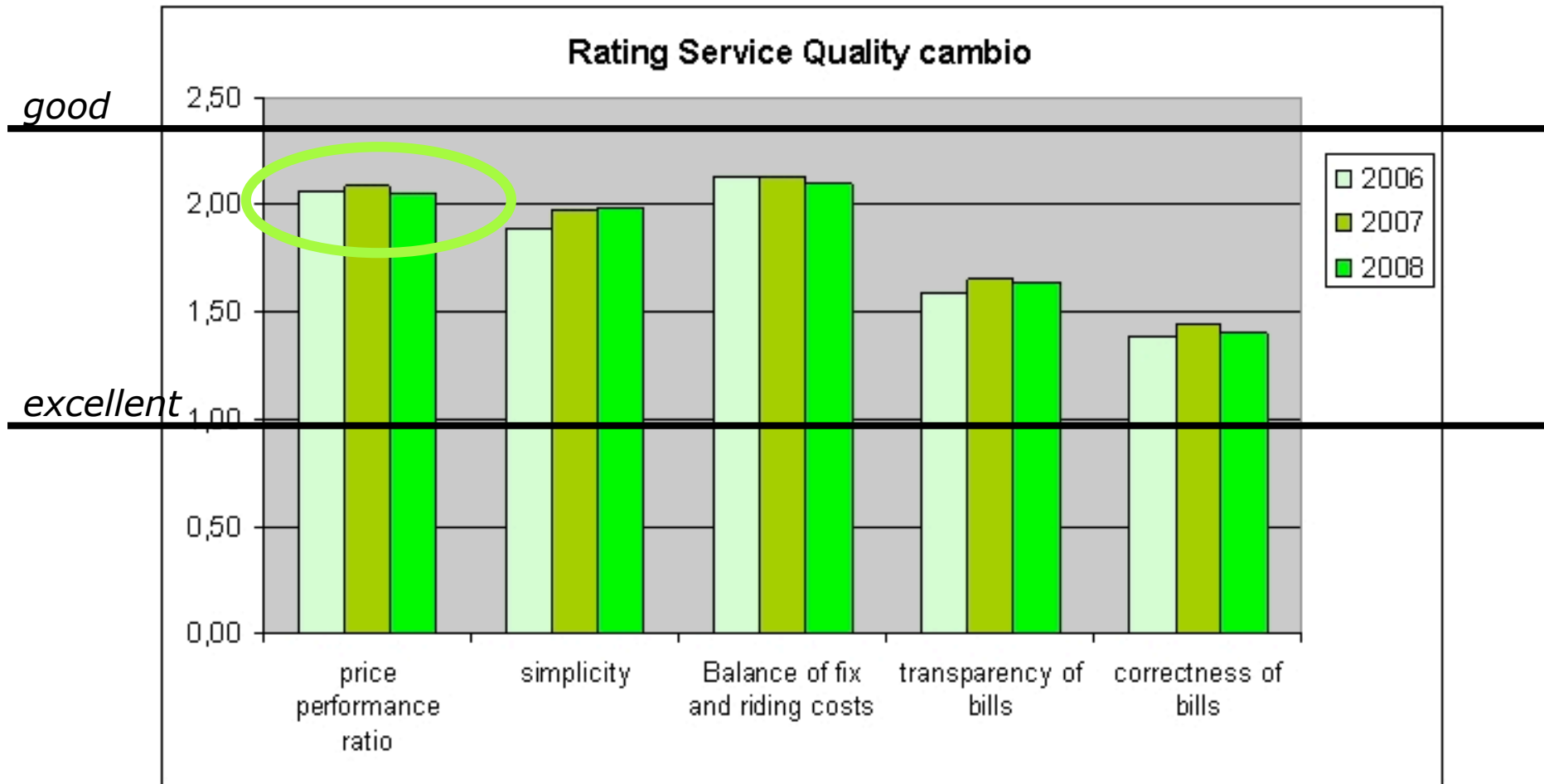
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# Annual quality survey cambio



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**Thank You for your attention**

**Joachim Schwarz**

**[www.cambio-CarSharing.com](http://www.cambio-CarSharing.com)**