

# CAR SHARING GAINING POPULARITY IN GERMANY AND ELSEWHERE



Car sharing gains popularity among European customers. The largest car sharing market is currently in Germany where over one million customers are expected to participate in the concept by 2016.

The effort to reduce the number of vehicles through car sharing has gained a wide acceptance around Europe in recent years. **The research and consulting firm Frost & Sullivan estimates that 77,000 vehicles will be shared by 5.5 million European users by 2016**, reported Dmm.travel.

Car sharing is a model of car rental where people rent cars for short periods of time, often by the hour. The customer pays only for the time he or she actually uses the car and so saves the costs for buying a private vehicle. This way the traffic is reduced and CO2 emissions are also lower.

According to Aswin Kumar, Senior Research Analyst of the Automotive & Transportation Group at Frost & Sullivan, there is also another important effect: **“Car sharing provides a solid base for the growth and acceptance of electric vehicles.”** According to him by 2012 every third new car of car sharing fleets will be an electric vehicle in Europe.

Germany has the most electric charging stations in Europe so it has also the potential to develop into a key market for electric car sharing. There should be over 80,000 electric charging stations by 2015. Moreover, **Germany is with 4,700 vehicles, which are used by approximately 165,000 members, the largest car sharing market in Europe.**

“By 2016 we expect an increase to around 19,000 cars, with about 1.1 million users,” said Kumar. 270 cities offer the possibility of car sharing in Germany. “Germany is, however, still lacking a national program and support from the government,” said Kumar.

The whole concept however represents a threat to many car manufacturers. Big car companies such as Peugeot and Daimler thus started using car sharing to test their brands and analyze the opinions of consumers about their vehicles.

“The European car sharing market may well reach a volume of about €2.6 billion by 2016. At that time there will be more than one million vehicles obsolete,” said Kumar. **“The integration of electric vehicles and car-pooling services could become one of the most important sustainable mobility solutions for European customers.”** Other countries with the greatest growth potential are France and Britain.

New services, new target groups, integration with other operators and solutions, innovative marketing strategies based on Web 2.0 and geographical differences are all factors that will increase the competition. “This development is also necessary to ensure that car sharing will not only be a niche urban phenomenon,” said Kumar.

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