EVOLUTION OF MOBILITY:

A SHIFT TOWARDS ALTERNATIVE OWNERSHIP

COX AUTOMOTIVE™

About the Study

2015

Ride & Car Sharing Trend Research
2,464 Consumers

1,250 consumers

2018

Evolution of Mobility

Range of Mobility Models Expanding Consumer Options

TRADITIONAL OWNERSHIP

PUBLIC TRANSPORTATION

TAXI

TRADITIONAL OWNERSHIP

PUBLIC TRANSPORTATION

TAXI

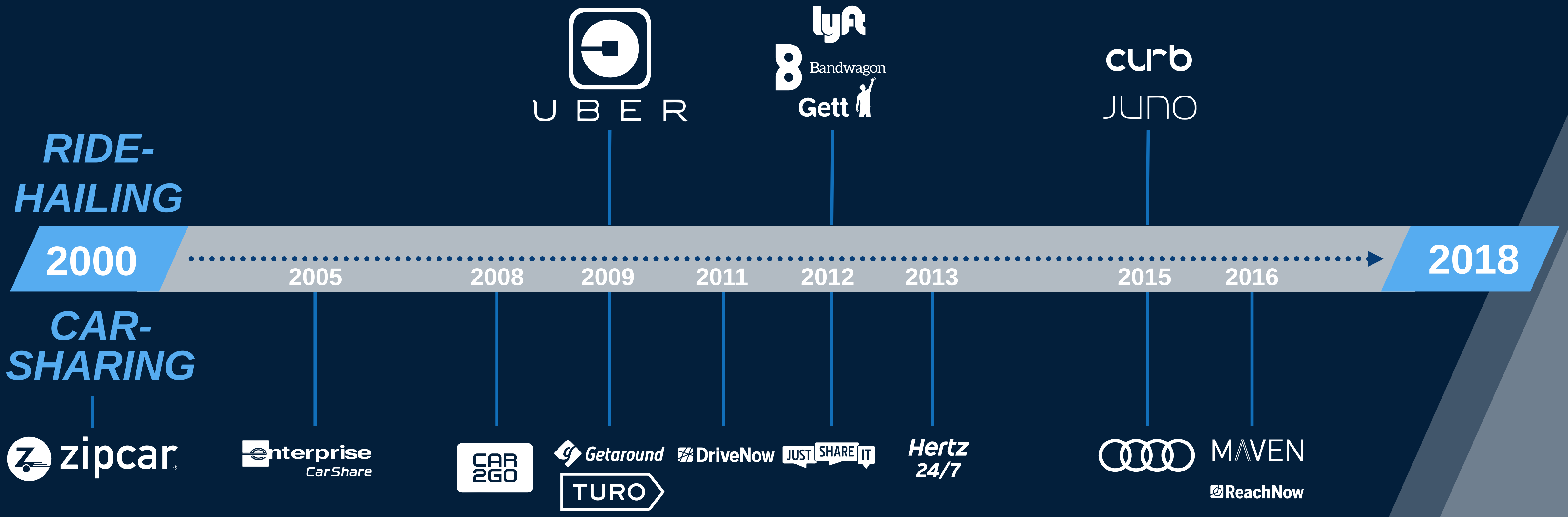
CAR-SHARING
(launch 2000)

RIDE-HAILING
(launch 2009)

SUBSCRIPTION
(launch 2014)

RIDE-HAILING IS MAINSTREAM; CAR-SHARING REMAINS NICHE

Car-sharing Has Been Around Twice as Long as Ride-hailing

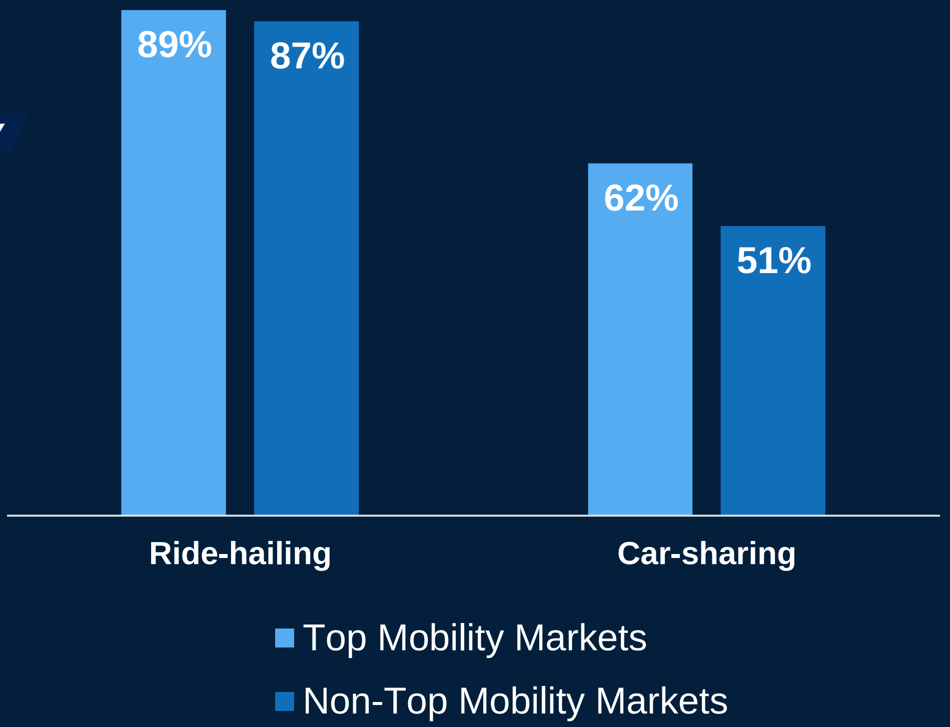


Ride-hailing Awareness Nearly Ubiquitous Across Markets; Car-sharing More Prevalent in Top Mobility Markets

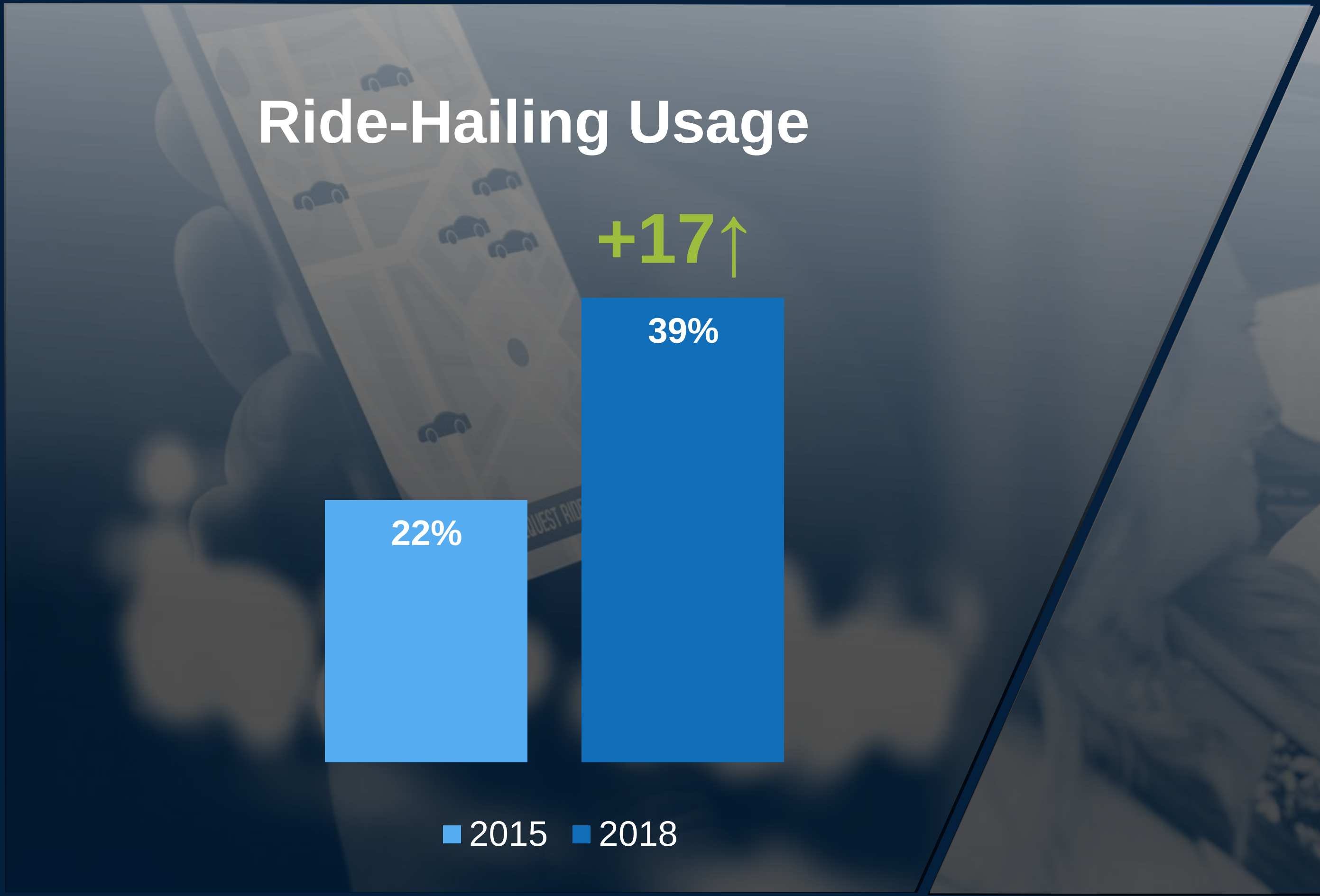
Top Mobility Markets

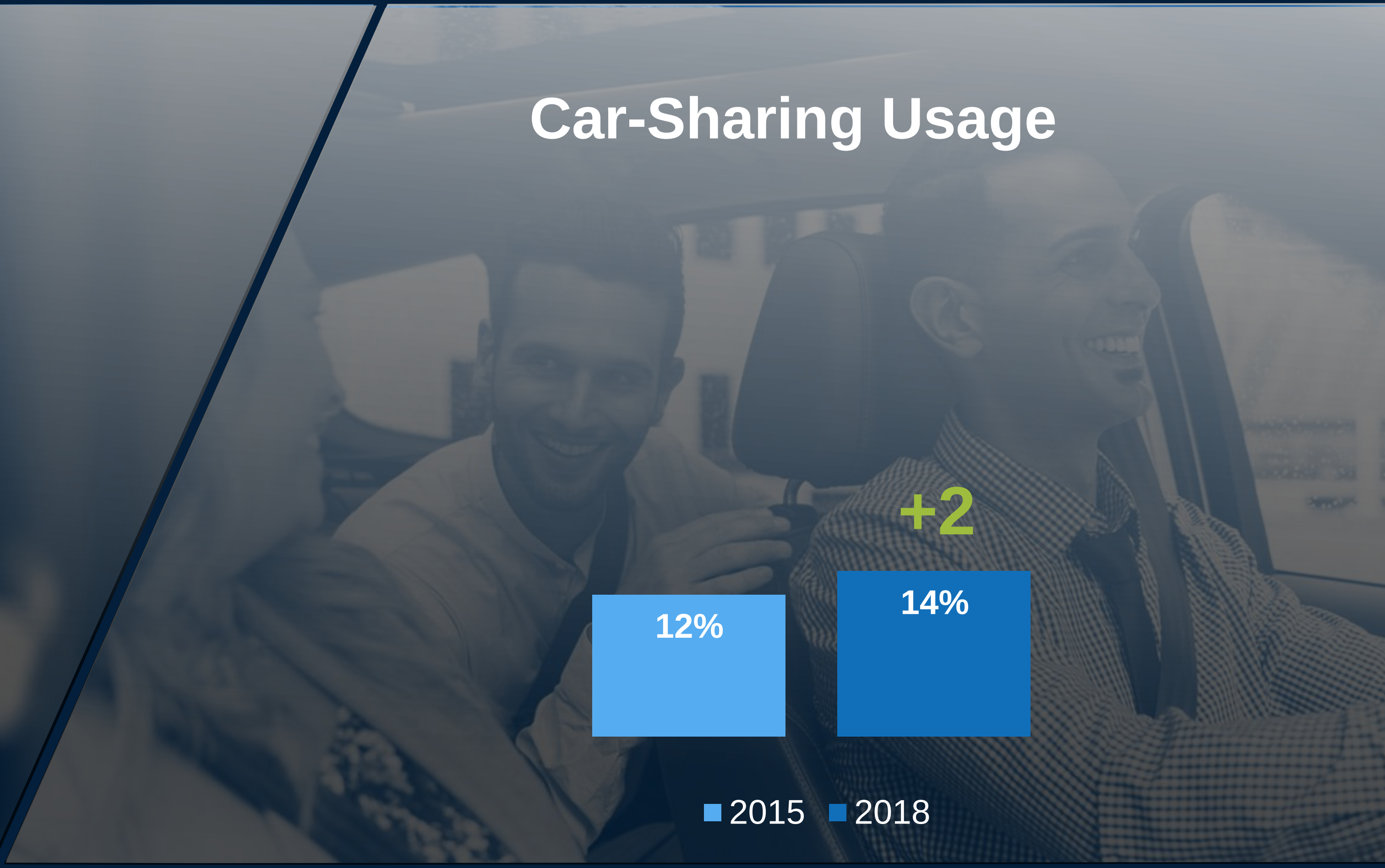
Awareness of Alternative Transportation Methods

"Heard of This"



While Ride-hailing Usage Has Skyrocketed, Car-sharing is Flat at a National Level

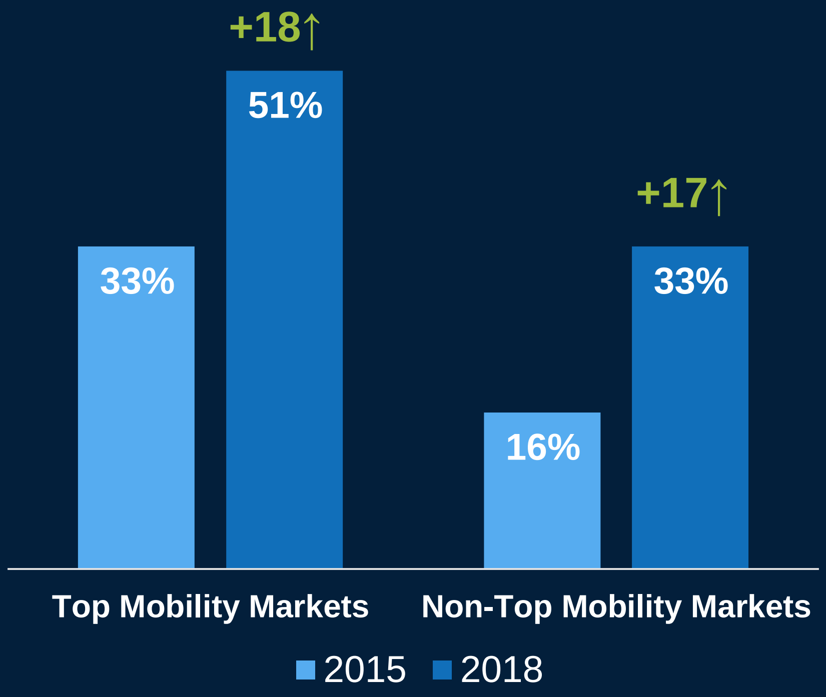




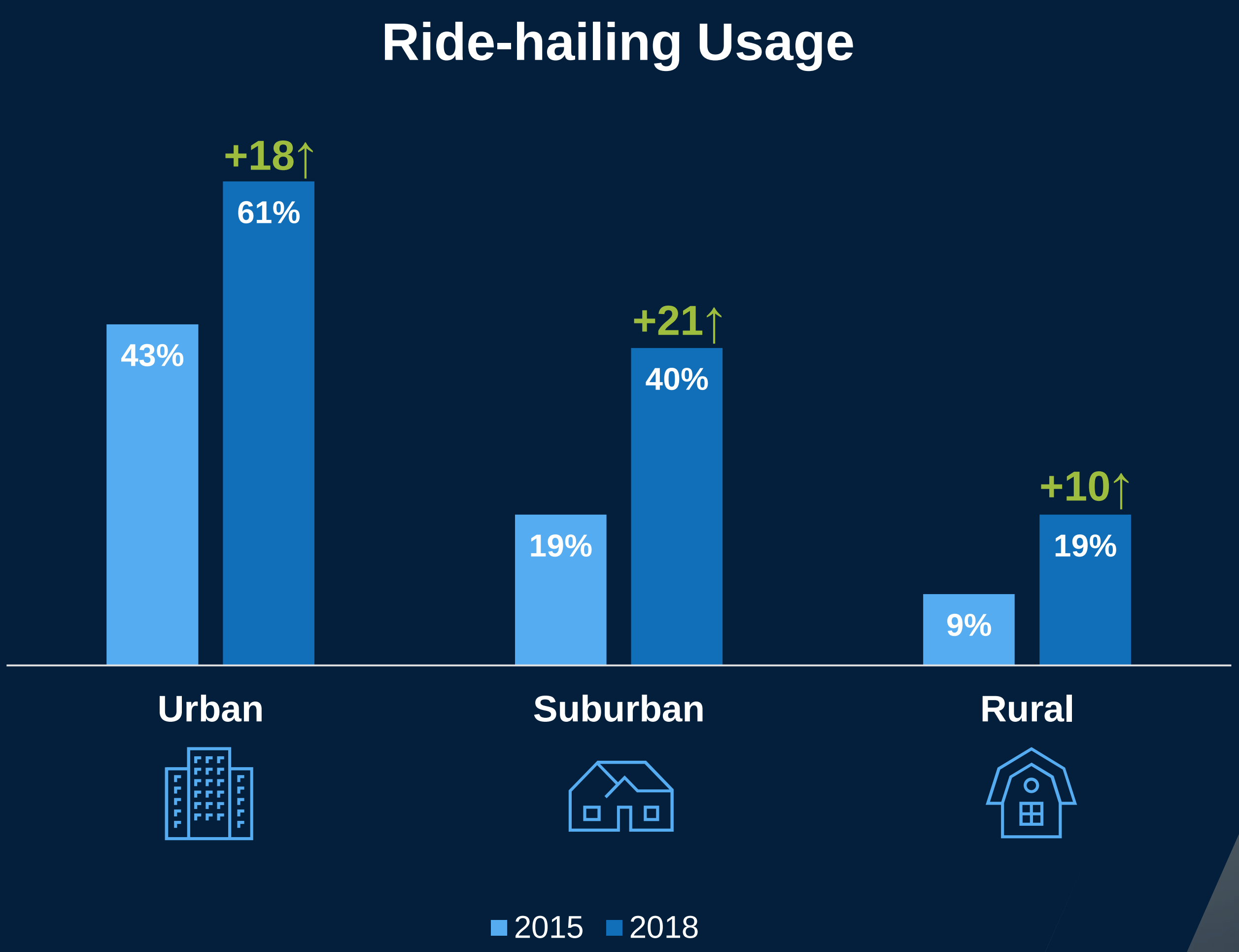
Ride-hailing Growing More Mainstream, with Usage Expanding Beyond Top Mobility Markets

Top Mobility Markets

Ride-Hailing Usage

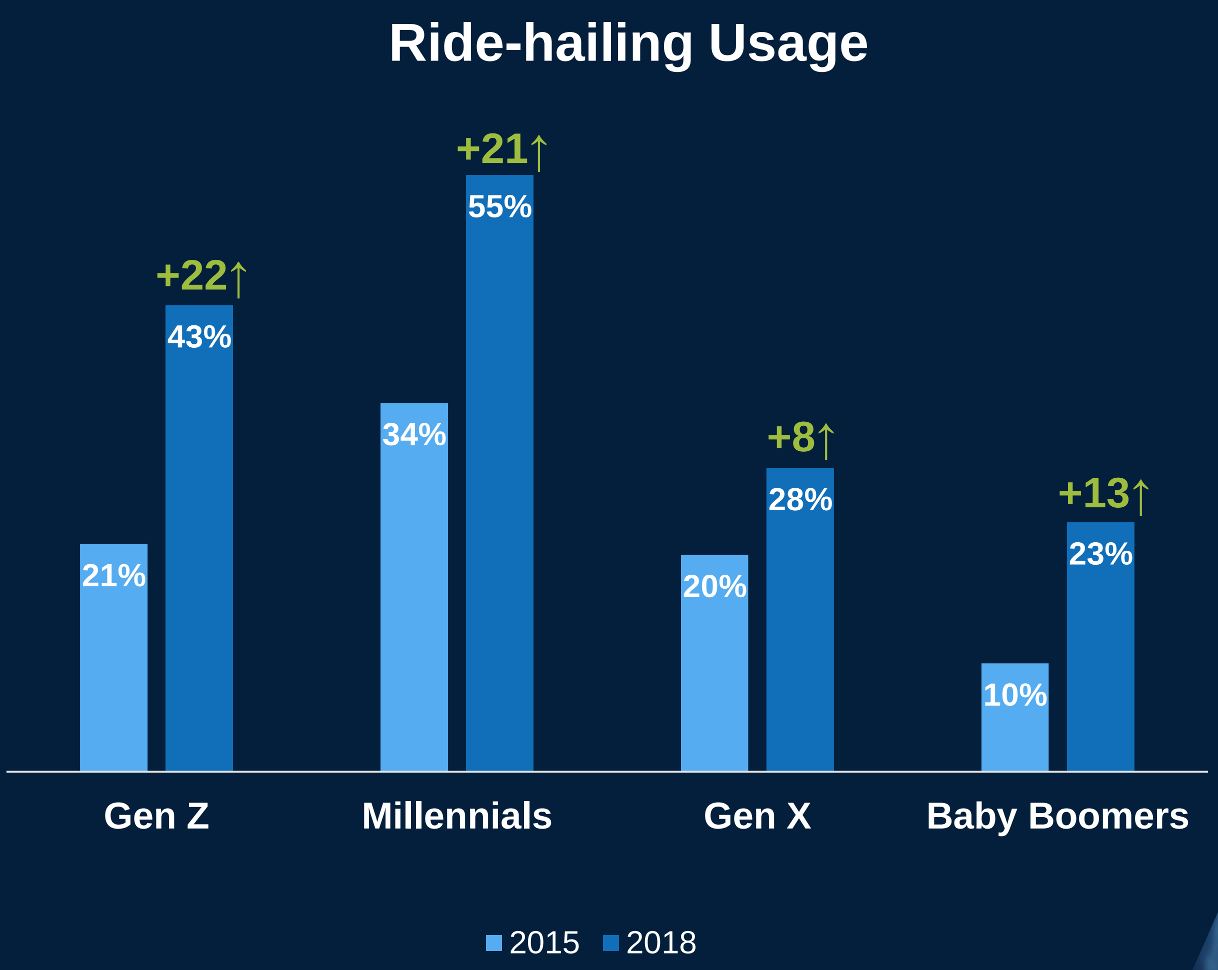


Ride-hailing Growth More Prominent in Rural & Suburban Markets, Rural Usage Doubles in 3-Year Timeframe



Source: 2018 Cox Automotive Evolution of Mobility Study

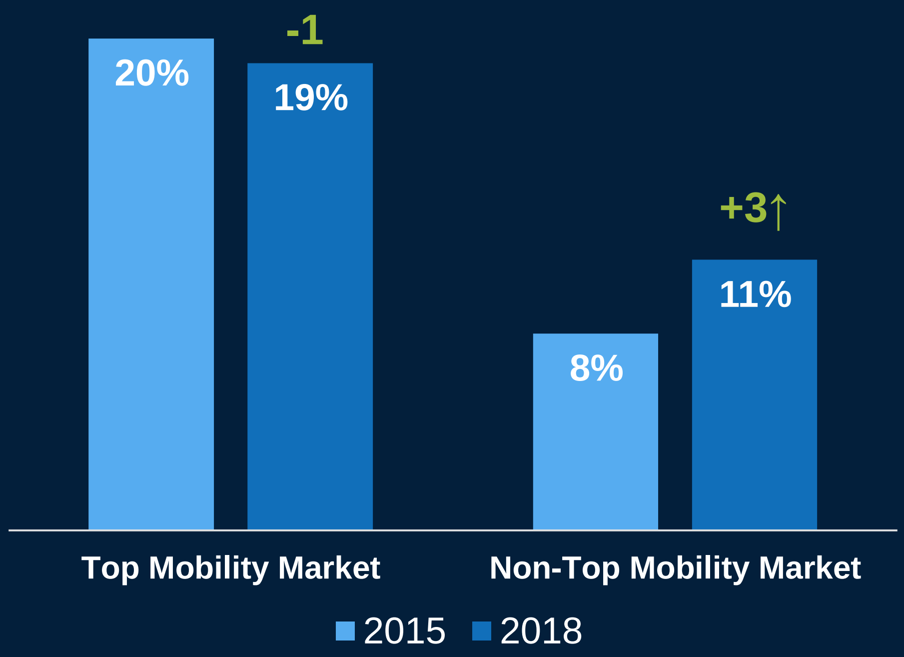
Ride-Hailing Growth Consistent Across All Age Groups



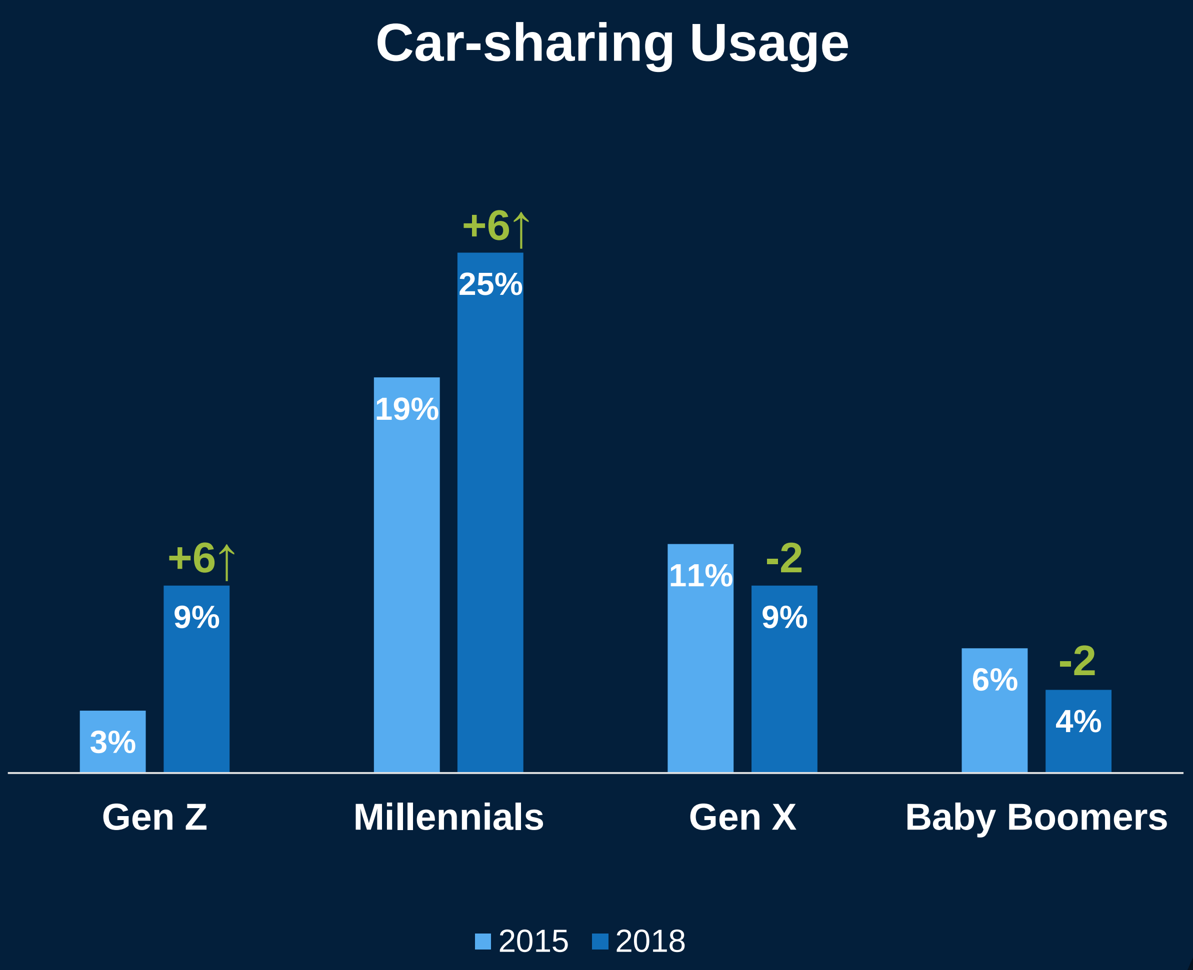
Car-sharing Usage Steady in Top Mobility Markets, Experiencing Slight Growth Elsewhere

Top Mobility Markets

Car-sharing Usage

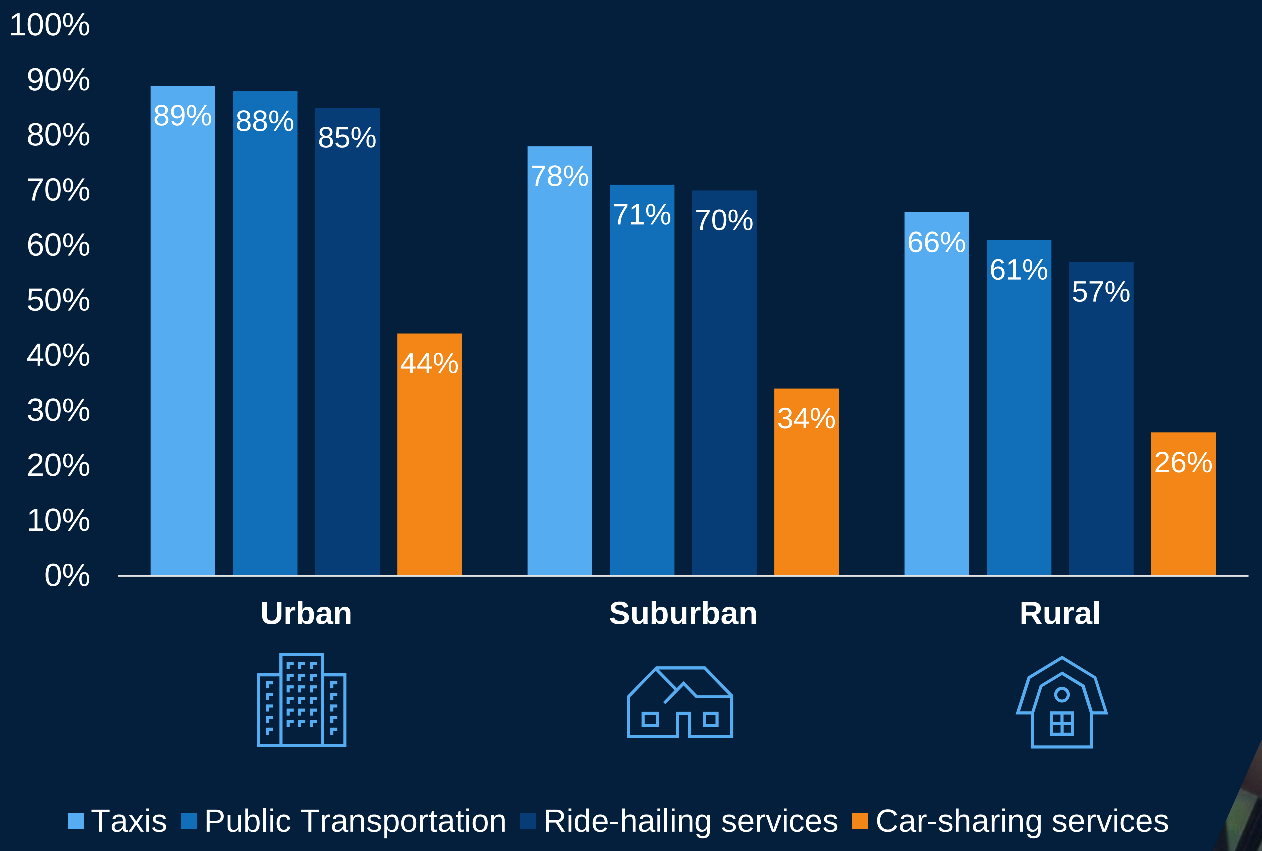


Car-sharing Slowly Growing among Gen Z and Millennials



Car-sharing Considered Less Accessible than Other Transportation Alternatives

Transportation Method Accessible



Convenience and Safety Present Biggest Barriers to Car-sharing Adoption

Car-sharing vs. Ride-hailing

(among those who have used both)

DISADVANTAGES OF CAR-SHARING
(% POINT GAP)

-29 Convenience

-28 Safety

-24 Peace of mind

-22 Overall cost

ADVANTAGES OF CAR-SHARING
(% POINT GAP)

+7 Ability to drive the vehicles I want

While Car-sharing Usage is Fragmented Across Brands, Ride-hailing Has a Clear Leader

Ride-hailing Brand Usage

(among the 39% using Ride-hailing)

UBER ONLY	UBER + lyft	lyft ONLY
45%	41%	11%

UBER = 86%

Car-Sharing Brand Usage

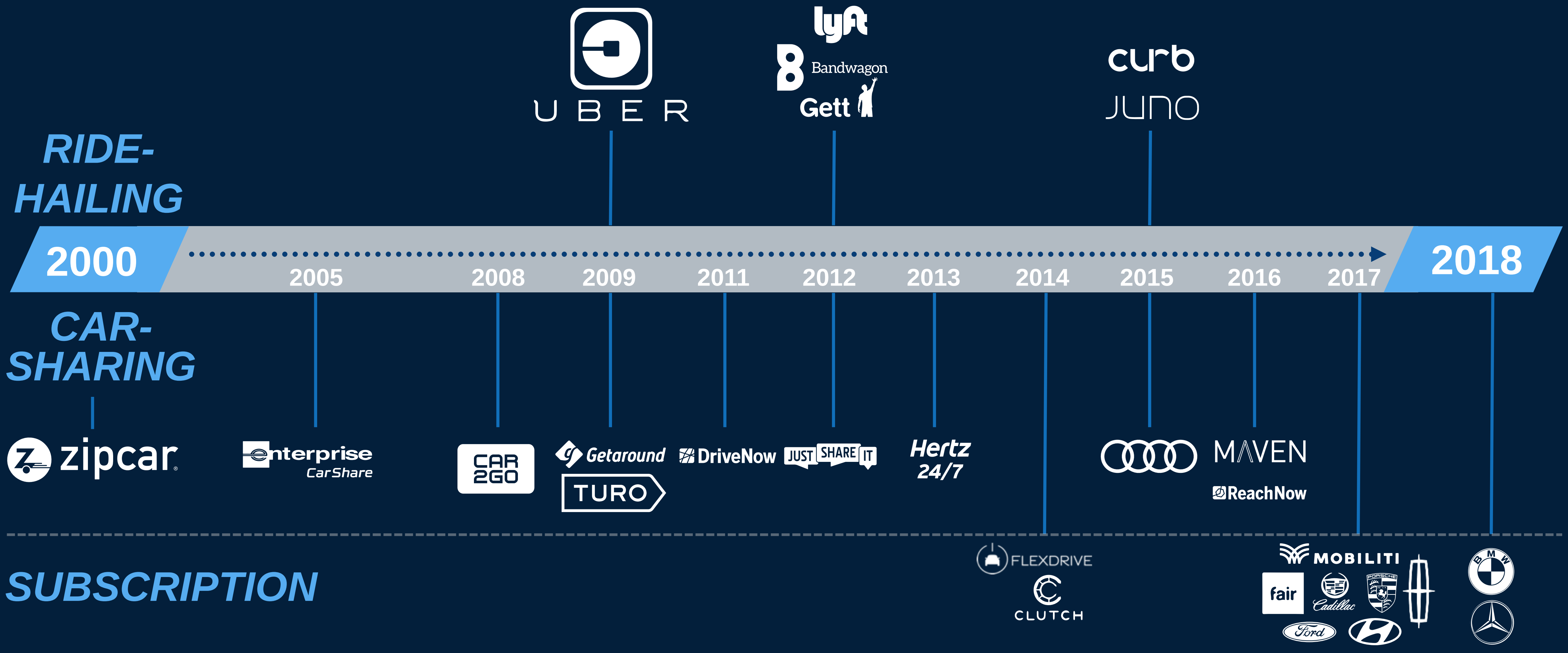
(among the 14% using Car-sharing)

zipcar	21%
CAR 2GO	9%
enterprise CarShare	8%
Hertz 24/7	6%
MAVEN	4%

Source: 2018 Cox Automotive Evolution of Mobility Study

CAR SUBSCRIPTION IS GAINING TRACTION IN EARLY STAGE

Car Subscription is New Kid on the Block



One in Four Are Aware of Car Subscription Services

25%

Among 18-64

have heard of car subscription services

Car Subscription Most Appealing to Younger Generations

10%

will opt for a subscription vs. owning/leasing next time they're in market

% WOULD OPT FOR SUBSCRIPTION

11% Gen Z

16% Millennials

6% Gen X

8% Baby Boomers

Car Subscription and Car-Sharing Have Similar User Profiles

	INTERESTED IN CAR SUBSCRIPTION	HAVE USED CAR-SHARING
Demographics		
Male	**67%**	**66%**
Average Age	**39**	**34**
Urban Resident	**15%**	**24%**
Income	**$64K**	**$79K**
Vehicle Behaviors		
Purchased Vehicle New	**68%**	**69%**
Owns Luxury Vehicle	**12%**	**23%**

Source: 2018 Cox Automotive Evolution of Mobility Study

Access to Technology, Care-free Maintenance, and Flexibility Are Top Benefits of Car Subscription Model

Top Perceptions of Car Subscription

Among Those Aware

44% **Allows me to access the best/ newest in-vehicle technology**

36% Minimal effort in maintaining/ repairing the vehicle

35% Ability to drive the vehicles I want

35% Offers flexibility

Source: 2018 Cox Automotive Evolution of Mobility Study

Millennials Value Tech More than Other Generations

"In-car tech makes or breaks my decision to purchase"

% Agree

44%	**Generation Z**
54%	**Millennials**
36%	**Generation X**
31%	**Baby Boomers**

#1 BENEFIT OF CAR SUBSCRIPTION

Allows me to access the best/newest in-vehicle technology

Minimal Maintenance Resonates More With Gen X and Boomers

Top Perceptions of Car Subscription

Among those Aware

GEN Z/MILLENNIALS

46% Access to in-vehicle technology

37% Ability to drive the vehicles I want

36% It offers flexibility

30% Minimal effort maintenance & repair

GEN X/BOOMERS

45% Access to in-vehicle technology

43% Minimal effort maintenance & repair

35% Ability to drive the vehicles I want

34% It offers flexibility

#2 BENEFIT OF CAR SUBSCRIPTION

Minimal effort in maintaining/ repairing the vehicle

Desire to Drive Multiple Vehicles is Most Prominent with Younger Consumers

"I'd prefer to drive a variety of vehicles"

% Agree

29% **Generation Z**

35% **Millennials**

21% **Generation X**

15% **Baby Boomers**

#3 BENEFIT OF CAR SUBSCRIPTION | **Ability to drive the vehicles I want**

Car Subscription Provider Preference is Up for Grabs

CAR SUBSCRIPTION PROVIDER PREFERENCE

47% No preference

24% Automakers

7% Third Party

22% Dealerships

CAR SUBSCRIPTION FLEET PREFERENCE

53% Cross-manufacturer

47% Manufacturer-specific

MOBILITY SERVICES ARE CHIPPING AWAY AT OWNERSHIP

Personally-owned Vehicles Still Reign Supreme for Getting Around

83%

of consumers drive their vehicle weekly
(nationwide)

Transportation Methods Used at Least Weekly

	Urban	Suburban	Rural
Driving your own vehicle	62%	86%	86%
Public transportation	30%	8%	4%
Carpooling	12%	12%	16%
Riding a bike	9%	10%	9%
Borrowing vehicle from friend/family	6%	4%	6%
Ride-hailing	7%	4%	2%
Car-sharing	4%	3%	3%

Source: 2018 Cox Automotive Evolution of Mobility Study

Vehicle Ownership Still Offers Many Benefits Over Alternatives

Top Reasons for Purchasing vs. Other Alternatives

89% **Convenience**

87% **Cost**

87% **Safety**

81% ***Freedom***

Source: 2018 Cox Automotive Evolution of Mobility Study

The Cost Benefit of Ownership is Eroding, Especially for Millennials

"Owning/Leasing a Vehicle is Becoming Too Expensive"

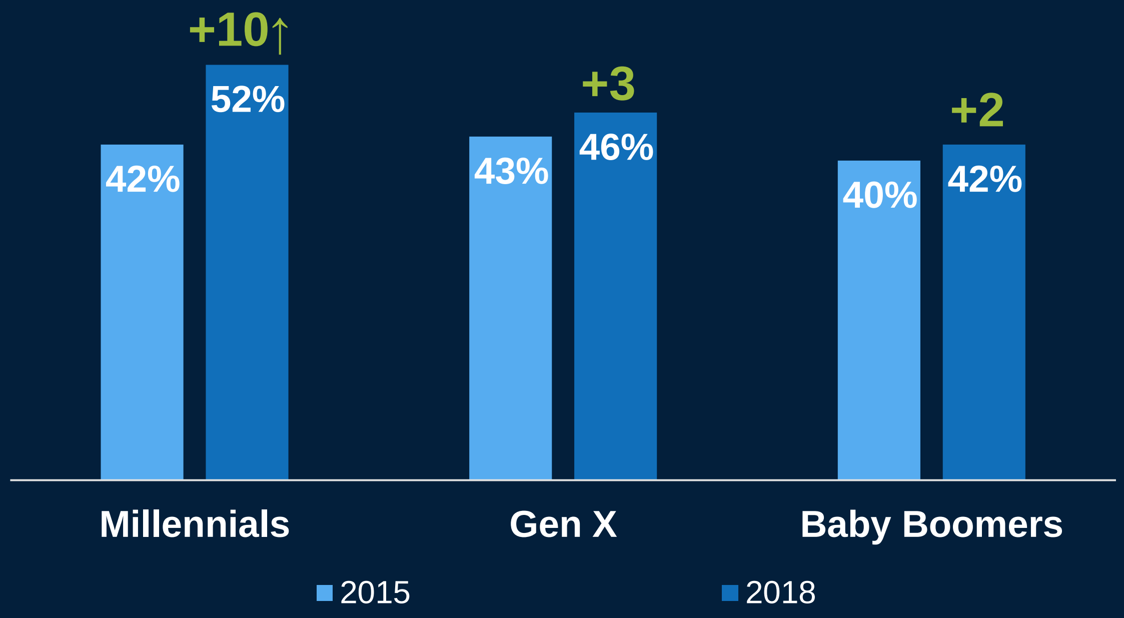
% Agree

42%

2015

48%↑

2018



Consumer Attitudes about the Necessity of Ownership Are Changing

“Having Transportation is Necessary, but Owning a Vehicle is Not”

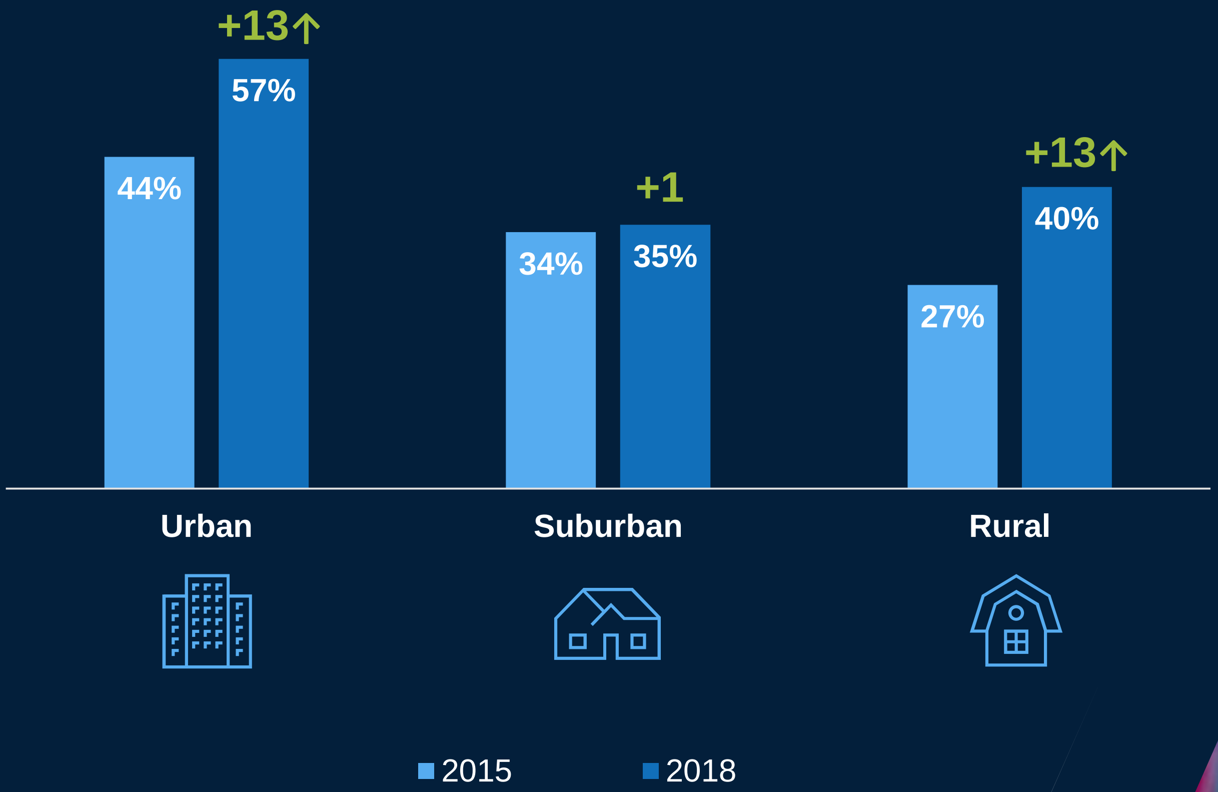
% Agree

35%	**39%↑**
2015	2018

And This Shift is More Pronounced in Urban and Rural Areas

"Having Transportation is Necessary, but Owning a Vehicle is Not"

% Agree



Gen Z Leading The New Way of Thinking About Ownership

"Having Transportation is Necessary, but Owning a Vehicle is Not"

% Agree

55% Gen Z	**45%** Millennials
34% Gen X	**28%** Boomers

Source: 2018 Cox Automotive Evolution of Mobility Study

CONCLUSION

Conclusions

1. A shift away from ownership has begun and will continue as younger generations find mobility services increasingly appealing and ownership too expensive

2. Ride-hailing has become more mainstream, though it has not displaced vehicle ownership. Car sharing is unlikely to see a significant change in growth without continued ramp up in awareness and presence

3. Subscription services present a promising alternative to ownership, providing access to the latest technology to younger generations and a low maintenance alternative to older consumers.

4. The time to take action is now! Industry players need to rethink existing business models, extending core capabilities with an eye towards mobility

APPENDIX

Survey Definitions of Services

Ride-sharing/hailing

Services where you pay for rides on a ***per trip*** basis **(e.g., Uber, Lyft).** You can request a ride in a vehicle on demand using an app on a smartphone and a driver will pick you up and take you to your destination. This does ***not*** include traditional taxi or limo companies; your driver typically owns his/her own vehicle.

Car-sharing

Service where you pay ***by the hour*** *(some by minute or day)* to use a car (some services also require a membership fee to access the service). Examples include **Zipcar, Getaround, and Car2Go.** Pick-up/return of the vehicle is self-service from designated lots, and each person who uses it keeps it clean and refills the tank with a provided gas card. This is different than a traditional car rental.

Car Subscription

This service gives you possession of a vehicle (similar to leasing), and also offers the ability to ***swap your vehicle by the week/month*** for something different. Users pay a one-time membership fee and a subscription payment for their vehicle access (either weekly or monthly) that includes all expenses except gas (such as insurance, maintenance, roadside assistance). Examples include BOOK by Cadillac, Care by Volvo, Clutch, and Flexdrive.

Definitions of Urban, Suburban, & Rural

	Household Counts per Land Area (Square Miles)
Urban	2,560+ households
Suburban	64 to <2,560 households
Rural	<64 households

Uber & Lyft Are Now Known by Most Consumers, with Lyft Especially Making Substantial Gains in Awareness over the Last Three Years

Awareness

	UBER		LYFT	
2015	65%	*change* +12↑	32%	*change* +38↑
2018	77%		70%	

	2018
curb	4%
JUNO	3%
Side·car	2%
Bandwagon	1%
Gett	1%

Nearly All Ride-hailing Users Prefer Uber Only or in Combination with Lyft

Ride-hailing Users

UBER ONLY	UBER + lyft	lyft ONLY
45%	41%	11%

	Uber Only (A)	Uber and Lyft (B)
Female	43%	54%
Gen Z	14%	16%
Millennials	35%	**47%[A]**
Gen X	29%	24%
Baby Boomer	**22%[B]**	11%
Urban resident	24%	26%
Suburban resident	68%	66%
Rural resident	7%	8%
Avg. Income	**$71,400**	**$74,300**

Lyft Only users not profiled due to small base.