



# La Mobilité dans les villes Européennes

Strasbourg, 22-30 November 2018

## PERSPECTIVES ET PROSPECTIVES

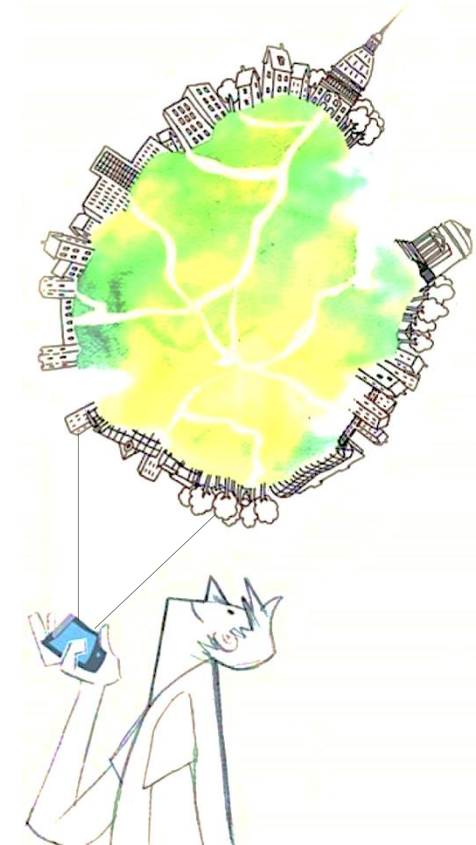
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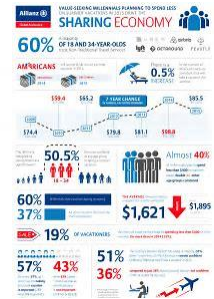
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# Retour sur les échanges

- The first big question: what does sharing economy/mobility mean ?
- The business model and regulation
- The second big question: what does MaaS mean ?



# The big question: what does sharing economy mean ?

## Lack of consensus on the definition of sharing economy

- “Collaborative consumption” or “collaborative economy” as a socio-economic model based on the **shared usage of underused or unwanted commodities** (Botsman & Rogers, 2011).
- “Collaborative consumption” as “people coordinating the acquisition and distribution of a resource for a fee or other non-monetary compensation like bartering, trading, and swapping.” Belk (2014)
- Crowd-based capitalism since there is a transfer of ownership through **on-demand access**. (Sundararajan, 2016)
- “**Monetization of underutilized assets** that are owned by service providers (firms or individuals) through short-term rental”. The economic incentive – rather than collaborative lifestyle is the key point. (Kumar et. al., 2018)



- Access economy
- Sharing aspect is secondary
- Market mediated by intermediary firm (Eckhardt and bardhi, 2015)

# The big question: what does sharing economy mean ?

- “the act and process of **distributing** what is ours to **others** for their use and the act and process of **receiving** or taking something from **others** for our use” (Belk, 2007)
- “Sharing is a form of **social exchange** that takes place **among people** known to each other, **without any profit**. Sharing is an established practice, and dominates particular aspects of our life, such as within the family ...
- **When “sharing” is market-mediated** — when a company is an intermediary between consumers who don't know each other — **it is no longer sharing at all**



- Consumers are paying to access someone else's goods or services for a particular period of time. **It is an economic exchange**, and consumers are after utilitarian, rather than social, value.

*Eckhardt, G. M., & Bardhi, F. (2015). The sharing economy isn't about sharing at all. Harvard Business Review, 28(01)*

# The utilitarian value of sharing mobility

When it is not there, game ends ...



Goodbye WeTruck

**L'aventure se termine !**



Bonjour à tous,

*Nous voulions vous informer que l'aventure WeTruck se termine...*

*Malheureusement, malgré **53 entreprises de transport partenaires, 2500 trajets publiés par mois et plus de 150 000 visiteurs uniques**, la pérennité économique du cocamionnage devient difficile à envisager. C'est pourquoi WeTruck est aujourd'hui fermé.*

*Nous vous remercions pour votre intérêt pour le cocamionnage, pour nous avoir suivi et encouragé sur les réseaux sociaux et pour avoir voyagé en camion avec notre service ! Votre soutien nous a encouragé tout au long de cette année à avancer dans le développement de cette aventure.*

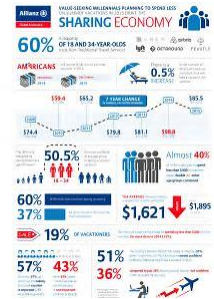
*Victor et Raphaël de chez WeTruck*

 [Victor Clément](#)

 [Raphaël Bacco](#)

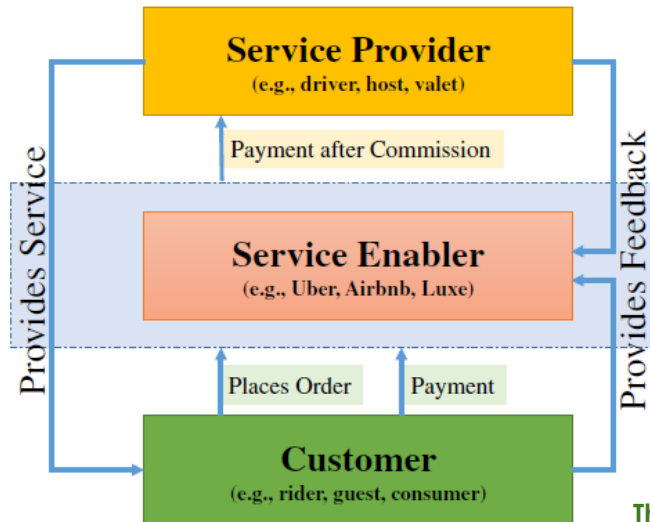
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# The business model

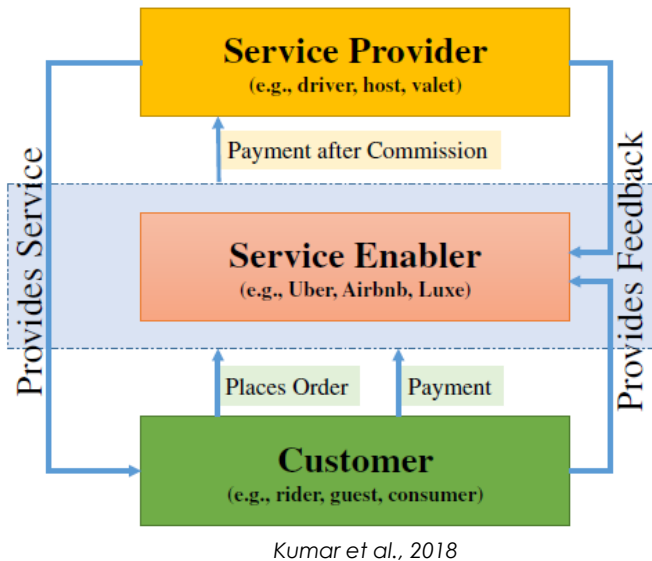
- Sharing mobility is continuously challenged by the dynamic forces of the context in which it operates:
    - complexity of predicting customer demand;
    - consumerization of digital technologies;
    - economic and environmental constraints.
- ↓
- those providing shared services need to adapt their business models to meet customer expectations in a more efficient, convenient, and sustainable manner



The customer can either be: businesses (B2B) or individuals (B2C)

*Kumar et al., 2018*

# The business model

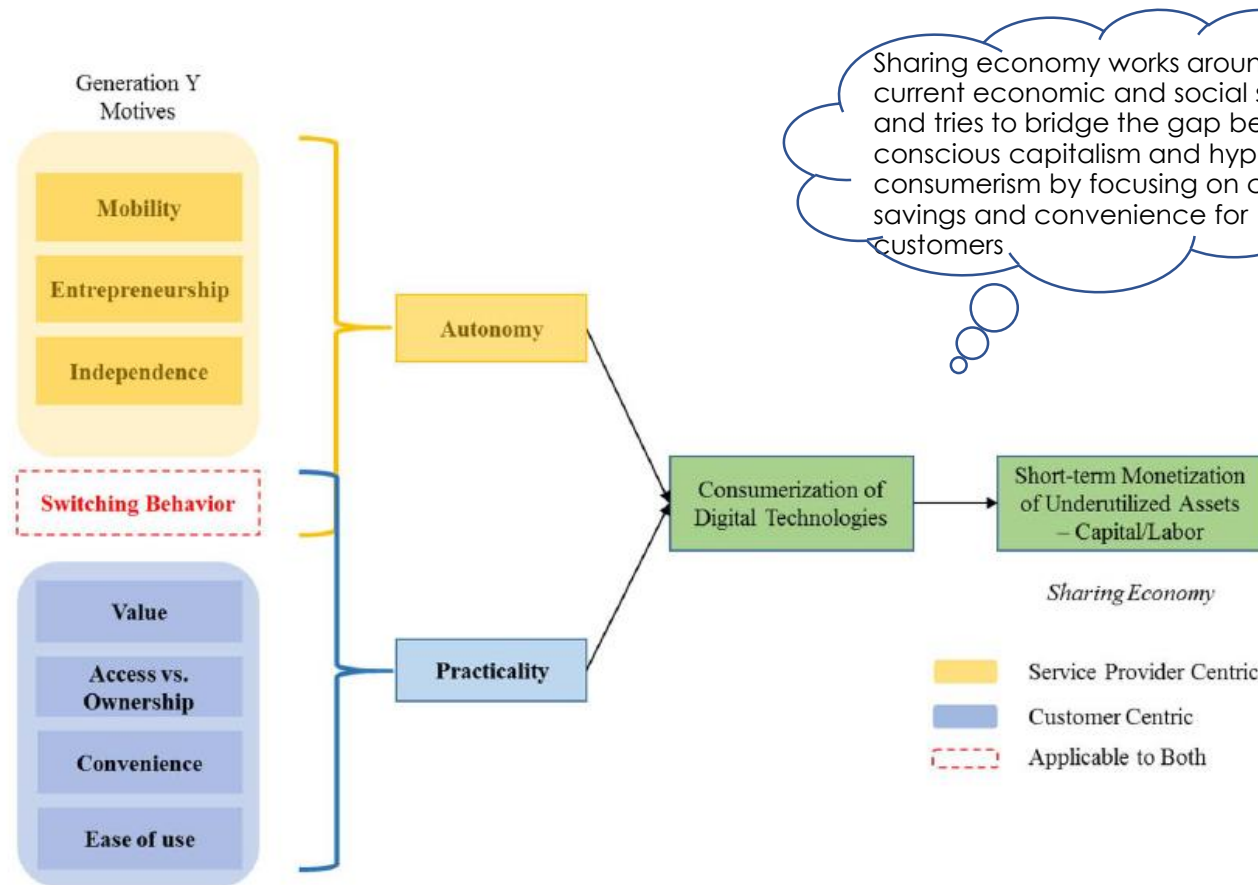


- sets up as an online P2P platform that charges a commission per transaction
- takes the responsibility of marketing, data security, and secure payment gateway
- generates the demand for the service and acts to increase the number of transactions (*Möhlmann, 2015; Tussyadiah, 2016*)
- asks for convenience and low cost (feasible thanks to the consumerization of digital technologies)
- the convenience offered by digital technologies steers the customers towards the service enabler's platform.



# The theoretical underpinning of business model

## Behavioral and technological factors leading to the sharing economy



Kumar et al., 2018

# Sharing economy/mobility threats

- The system is an answer to customer needs (e.g. convenience) but it is not responsive to service providers' needs



- Uber example:
  - it loses money even though it is doubling its revenue every six months (McQueeney, 2016);
  - it reduces the price per transaction to **stay competitive** to increase its valuation before its anticipated IPO (initial public offering)
  - majority of Uber's expenses are driver salaries (Solomon, 2016), but several reports in the popular press state that drivers in ridesharing systems earn less than the national average for taxi drivers

AND

- 56% of the service providers in the sharing economy report an annual income of less than \$40,000 (Pofeldt, 2015).

WHY ?

# Sharing economy/mobility threats

- Presentation Geraldine Bonnet

- More the supply is segmented, less the service is visible



- Monopoly ?

# Why and how regulate

Core reasons for state involvement in transport governance.

## Need for intervention

## Key issues today

### *Public policy*

1. Setting overall direction of policy
2. Environmental, economic and social externalities exist
3. Coordination of transport, land-use and economic goals
4. Setting standards and communicating with public about transport system operation
5. Balancing the needs of different transport systems and users

Increasing recognition of the role of transport in supporting economic growth, social progress and health  
Climate change, air quality, congestion, social exclusion and inequity are not tackled through the market  
Planning to accommodate growth in many cities whilst maintaining or improving accessibility requires intervention  
Defining levels of service and reporting on how these are met, justifying efficient spending of taxation, managing disruptive events  
Decisions on infrastructure spend and maintenance, road space allocation and legal frameworks on rights

### *Market failures*

6. Conditions for a free market do not exist
7. Acting as a provider or procurer of services which are not profitable
8. Problems of co-ordination between modes exist
9. Basic standards of operation and rules of movement

Managing monopoly infrastructure providers and limited service competition, preventing collusion  
Often to ensure basic levels of service to some communities, evening and weekend services or for bespoke services such as school or hospital transport  
Competition can exist between public transport operators within and between modes. Limited ticketing integration  
Interoperability between systems, data, standardization of laws and enforcement

### *Investment as policy*

10. Funding the provision and upkeep of infrastructure
11. Supporting the adoption of transport innovations
12. The state is an aggregator of risk and has primary accountability

Sets general taxes and mobility related taxes and charges at various levels of government to fund the upkeep of infrastructure and subsidy of some services. The state can borrow at lower rates than the private sector  
Innovations are sometimes expensive in their early stage adoption or require additional infrastructures, supported by state subsidy and investment or new regulation  
The state ultimately remains guarantor when private provision of public services fails and retains accountability via the ballot box

*Docherty et al., 2018*

# Why and how regulate

## DEFINE THE AGGREGATOR OF MOBILITY SERVICES AND ITS ROLE

- **Role of the public** acting as the portal and contractual authority for the purchase of mobility services
- Wide scale
- Strategy and policy coherence
- Control of market functioning
- Control of impacts (e.g. externalities)
- Control of data (security)
- Guarantee of equity and non-discrimination in access to mobility services

# Is sharing economy (and mobility) an added value ?

- **Large markets are necessary** to expand the business and make it profitable (role of market segmentation)
- Being not rentable the sharing services in densely inhabited areas, how can they survive in suburban and rural areas ? ... where they could be an added value

**BUT**

more users are less sustainable the transport system is

- *The sustainability orientation of sharing economy platforms represents an early phase of the development of the platform*
- *When the professionalization of the platforms occurs, the accessing and sharing – as a means to achieve resource efficiency (cf. Heinrichs, 2013) – would no longer present itself.*
- *Additionally, this development may follow from how the dominant platforms fall under increased regulations and scrutinization (not the least in media) and are no longer allowed to describe themselves as sustainable or “dare” to do so following negative press, etc. The newer platforms may not have caught as much media interest, and would therefore – and based on how they are organized – present themselves as sustainable (Geissinger et al., 2018).*
- *The development from early ideas of sharing and accessing to transactions and professionalization is a transition on the platform level in which platforms potentially become increasingly focused on issues other than sustainability as they develop and attract other users and producers (Geissinger et al., 2018)*

# The evolution of sharing mobility towards SAV and ESAV: conclusions

## EFFETCS

- The personnel costs disappear
- Triad becomes a dyad → service enabler becomes the service provider
- Car manufacturer as third external element ... but perhaps also the former service provider

***“If you can make money off cars you’re going to buy, it means in theory, you can buy higher quality, cleaner and hybrid electric vehicles. So if you become a brand leader in that space, that’s really powerful.”***

— Padden Guy Murphy, Head of Business Partnerships, Getaround

***“If the economics of car sharing can enable folks to afford a new hybrid or electric car, then sales objectives and sustainability objectives are now actually aligned. So Corporate Social Responsibility can actually be driven by profit motive, which is an incredibly powerful benefit of the sharing economy.”***

— Padden Guy Murphy, Head of Business Partnerships, Getaround

# The evolution of sharing mobility towards SAV and ESAV: conclusions

## EFFETCS

- The personnel costs disappear
- Triad becomes a dyad → service enabler becomes the service provider
- Car manufacturer as third external element ... but perhaps also the former service provider
- The development from accessing and sharing to acquiring and consuming may rather be the consequence of the development of individual platforms than an overall development in the sharing economy (Geissinger et al., 2018)
- Such platform could become/migrate to MaaS platform:
  - the third element could re-appear as service provider different from the current one
  - and regulation will be necessary:
    - ✓ data issues (privacy and security)
    - ✓ who will be in charge ?
    - ✓ at which scale ?

Private, public, PPP ...

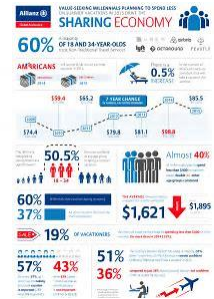
*PUBLIC RESPONSIBILITY*

**THE BIG CHALLENGE !!!**



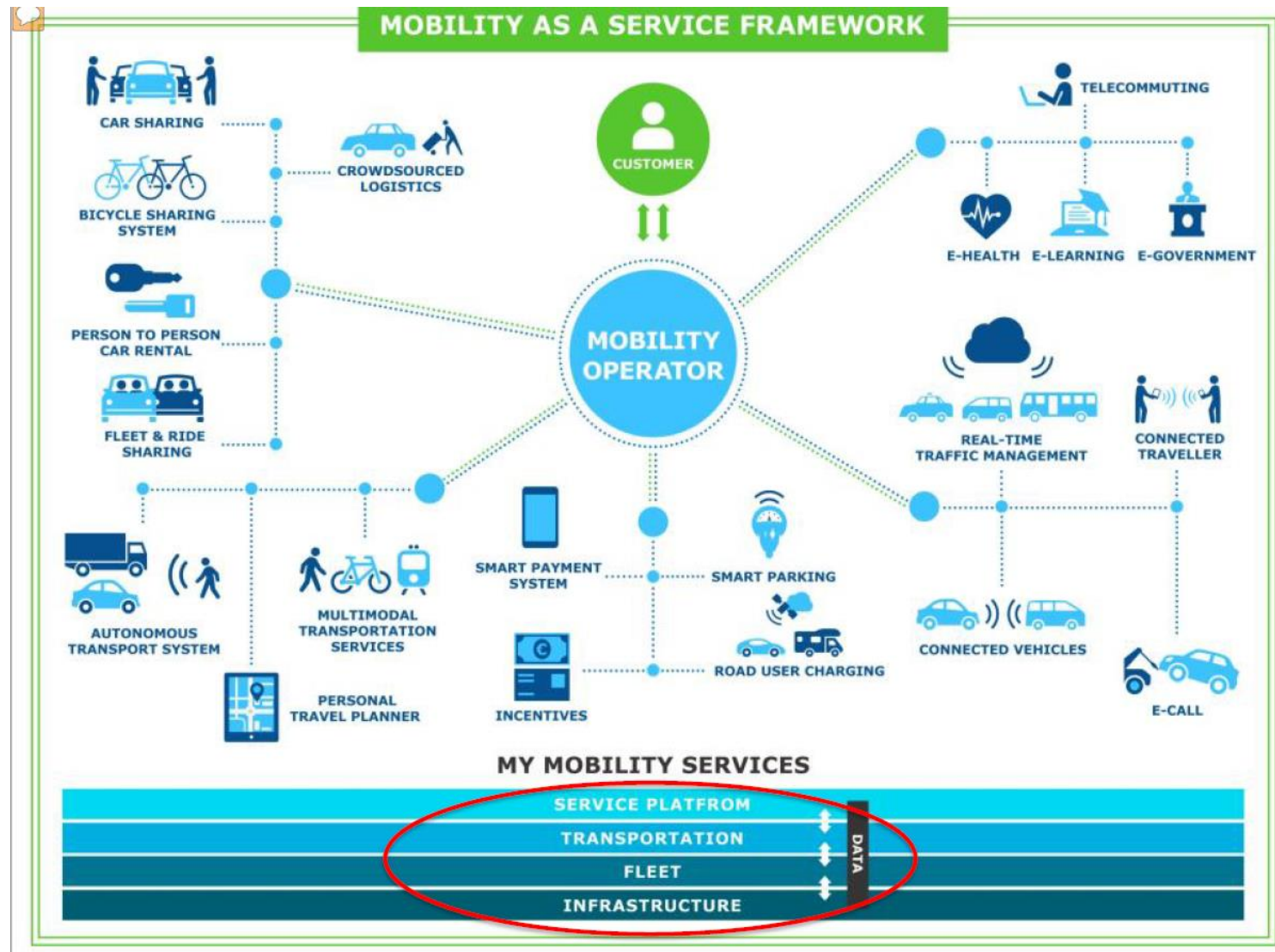
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# MaaS: what is it ?



Source: ERTICO – Presentation of Rasmus Lindholm, Žilina, Nov. 2016

# THANKS FOR YOUR ATTENTION



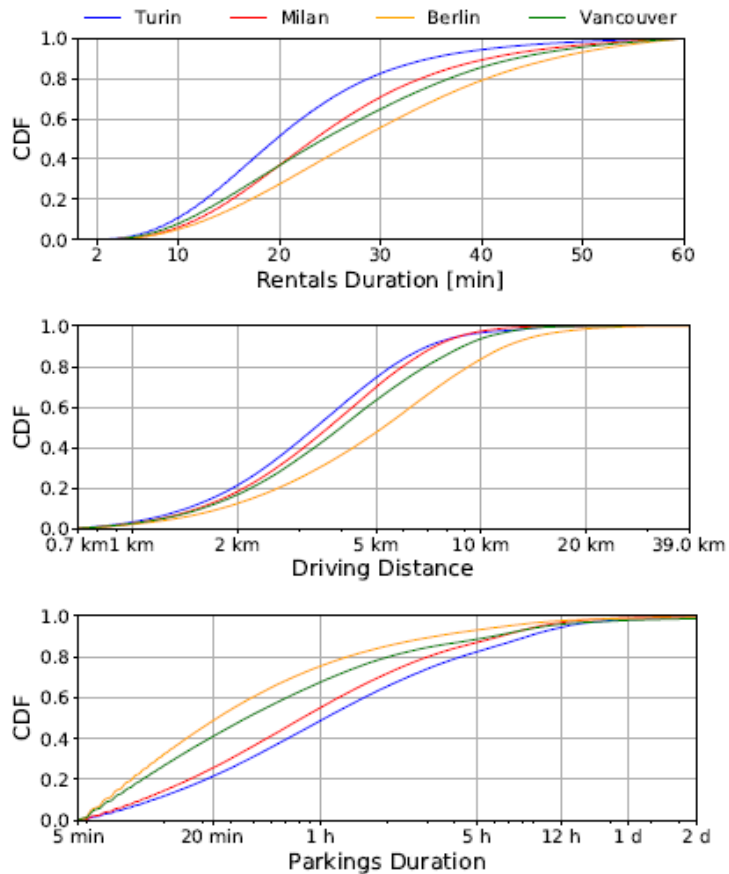
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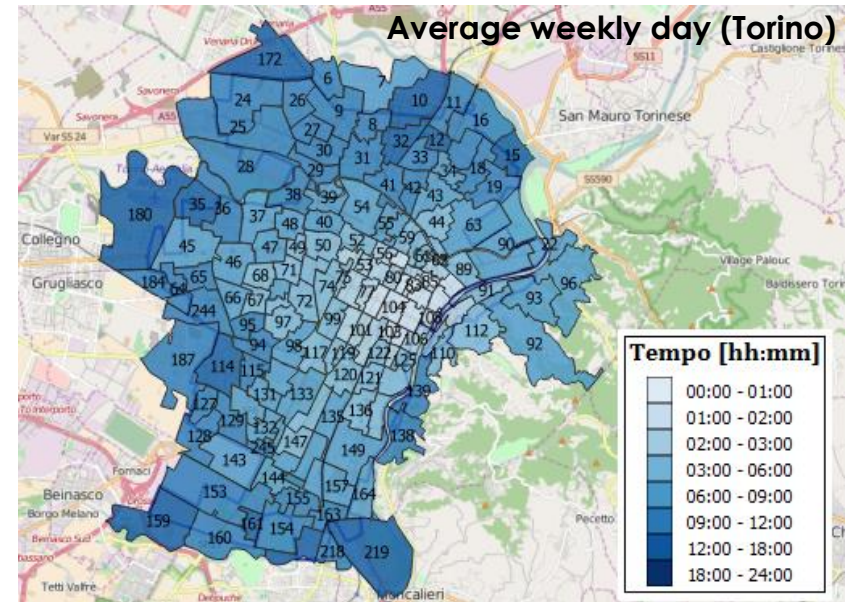
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# Is sharing economy (and mobility) an added value ?

- The increase of use of **underutilized resources** is fulfilled ? Cars stay stopped most part of the time (non profitable car sharing services)



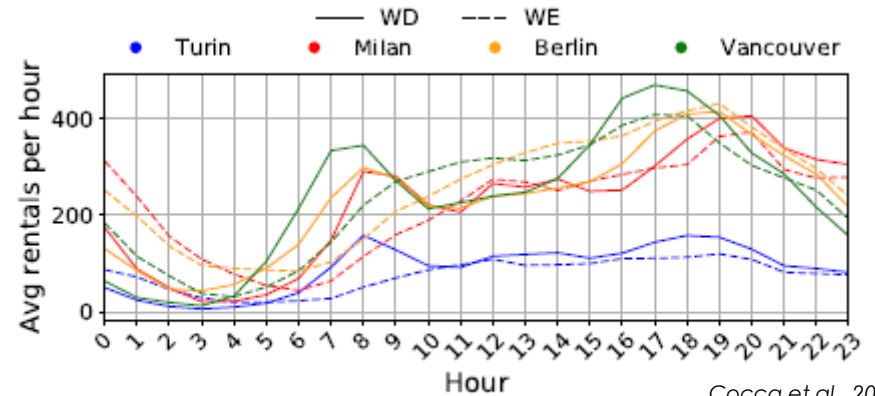
Cocca et al., 2018



- Rental duration is in general very short

# Is sharing economy (and mobility) an added value ?

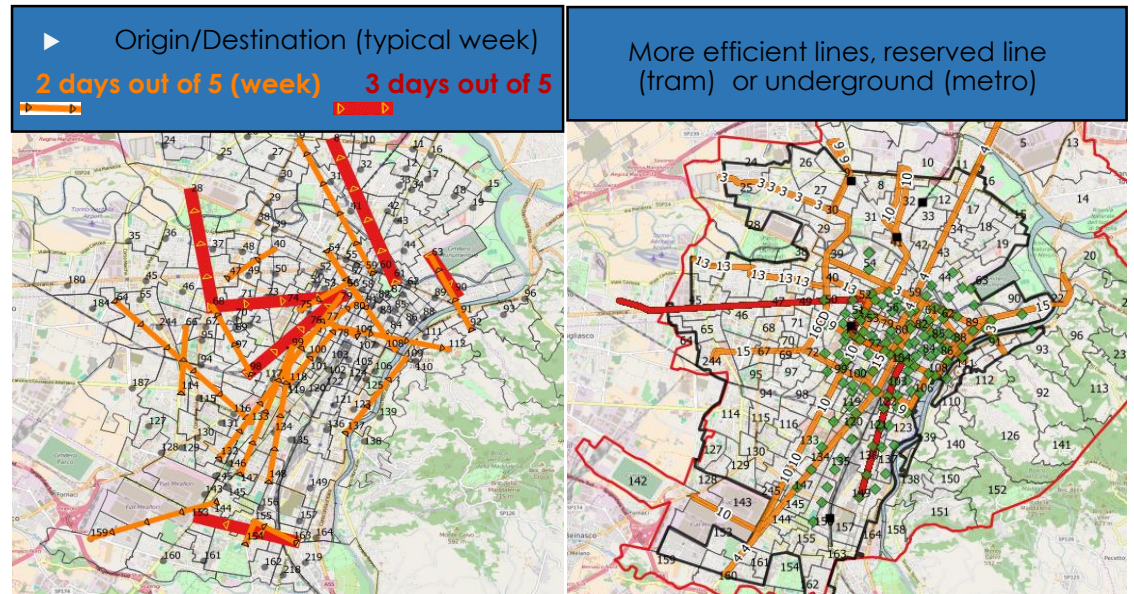
- For which trips sharing services are used ?



Cocca et al., 2018

(b) Average number of rentals per hour.

- Which are their competitors ?



▶ Origin/Destination (typical week)  
2 days out of 5 (week) 3 days out of 5

More efficient lines, reserved line (tram) or underground (metro)