Northcoast Research Partners recently completed a quantitative survey and conversations with 35 college transportation directors and administrators regarding the adoption of car sharing on their college campuses. Based on Northcoast’s research, the college campus market remains a small but emerging market for car-sharing operators. This research finds that most college campuses that start a program see sizeable growth rates in car sharing usage, growing 20-30 percent on a year-over-year basis. Colleges and universities with car sharing already fully deployed for two to three years are experiencing total student body adoption rates of about 10-15 percent.

Northcoast estimates that if all colleges and universities in the country deployed car sharing, the market size could evolve to $400 million to $1.65 billion in total revenues on the long term, assuming that membership fees and hourly usage rates remain consistent, and the penetration rate across the entire U.S. hovers around 5-20 percent.

College campuses are looking at car sharing as an integral component of student life and campus parking/transportation strategies. The proliferation of car sharing on college campuses is a result of the following factors: schools looking to reduce the number of cars on campus, students looking to fill transportation needs, increased flexibility by members to “go as they please” and overall efforts to be “green.”

Without question, car sharing is on its way to becoming mainstream in a number of top car-share markets and college campuses. In our opinion, 2011 and 2012 will stand as important years for the car-sharing market as we begin to learn more about consumer adoption and get a better view of competitors.

Here are Northcoast’s key takeaways from our conversations with transportation directors:

- Universities appreciate the car-sharing model as it cuts down on the need for students to bring vehicles to school; it reduces issues with congestion and lack of parking — two issues that many schools encounter.
- Colleges and universities are marketing car-sharing offerings as a way to differentiate themselves to rival schools and also as a way to promote environmental

### THE POTENTIAL SIZE OF CAR-SHARING MARKET ON-CAMPUS

<table>
<thead>
<tr>
<th>Penetration Rate</th>
<th>Car Sharing Members</th>
<th>Market Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>950,000</td>
<td>$413,250,000</td>
</tr>
<tr>
<td>10%</td>
<td>1,900,000</td>
<td>$826,500,000</td>
</tr>
<tr>
<td>15%</td>
<td>2,850,000</td>
<td>$1,239,750,000</td>
</tr>
<tr>
<td>20%</td>
<td>3,800,000</td>
<td>$1,653,000,000</td>
</tr>
</tbody>
</table>

### CAR-SHARING EXPECTATIONS FOR GROWTH

<table>
<thead>
<tr>
<th>Number of Schools</th>
<th>Percentage of Our Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>9</td>
</tr>
<tr>
<td>Moderate</td>
<td>22</td>
</tr>
<tr>
<td>Low</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
</tr>
</tbody>
</table>
friendliness campaigns.

- Schools with programs expect the growth of members and fleet will approximate 20-30 percent in the near future as the offerings become better known and embraced by students.
- Schools typically see car-sharing utilization rates highest on the weekends and lowest during the midweek — similar to car-sharing use in urban settings.
- The biggest complaint is in regards to vehicle shortages primarily on the weekend.
- Car-sharing gives way to additional innovation as “second generation” car-sharing initiatives begin to emerge, such as ride sharing and community vehicle programs.
- Two-way texting and use of mobile apps are popular and give students the ability to reserve vehicles on the go.
- Applications created by operators like Zimride, a carpooling/brokering community, provide for a “car-light” operating environment.
- There is an element of rising competition on college campuses as rental car companies begin to explore the market.
- Some transportation directors feel the future could bring multiple drop-off and pick-up locations for cars for better accessibility.

**Car-Share Marketing**

Our research suggests that colleges and universities are deploying additional marketing campaigns in an effort to increase the use of car sharing on campus.

The following are methods used by colleges and universities to market car sharing:

- Marketing campaigns during freshmen orientation programs.
- Regularly available marketing materials on campus.
- Monthly email campaigns to student bodies.
- On-campus car-sharing representatives during program launch.
- Campus signage (e.g. flyers, banners, and bus shelters).

While the competitive environment will likely get more crowded in time, increased attention from viable competitors has yet to have any meaningful impact on the near-term results of Zipcar, for example, the largest on-campus car-sharing provider and largest car-sharing company in the U.S.

The market as a whole remains fairly small at this time, but Northcoast believes the growth opportunity associated with cars on college campuses remains significant.

John Healy – a research analyst with Northcoast Research Partners – covers the car rental sector within his business services area of focus. Northcoast Research Partners is an institutional equity research firm that specializes in car rental, among many other industries. **This article originally appeared in Auto Rental News.**