

Szenario Analysis of Profitable Free Floating Sharing System

Bachelorarbeit

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1. Introduction

A relatively new business model within the automotive segment, a free floating exchange system has raised and is expanding throughout Europe and North America. This type of system includes various types of new mobility transformations, such as electronic bicycles and electronic scooters, which allow users to order scooters anytime, anywhere. This system provides customers with maximum flexibility for one-way travel, so it can become the future of mobility sharing. Scooters in the north-west of the city allow you to choose where you want to leave, without worrying about returning.

“The greatest advantages of the “one-way” service are that it provides it users with a much sought-after flexibility.”[1]

1.1 Relevance of the topic

With the rapid development of technology, people are becoming more connected than ever. The floating electronic scooter exchange system is a new direction in mobility. Since the first launch in the fall of 2017 (US-based Bird), shared electronic scooters have been used in hundreds of cities around the world, and even more will be launched in the coming months. Dozens of startups in the field of electronic scooters raised more than 1.5 billion US dollars (Figure 1) [2], and by 2025 the global market growth is estimated at 40-50 billion US dollars [2].

“In contrast with previous systems, free-floating systems operate almost exclusively using commercial “for-profit” models, amidst concerns of financial sustainability”[3]. The management of this system is still in its infancy and may include operating fees, vehicle size restrictions, security requirements, parking challenges, data sharing and rate obligations [3]. We identify differences between research and practice in use, equity, resource allocation, models, and business situations. A system has many barriers to long-

term sustainability, including systems common to station-base such as “limited supportive infrastructure, equity, theft or vandalism, and funding” [3]

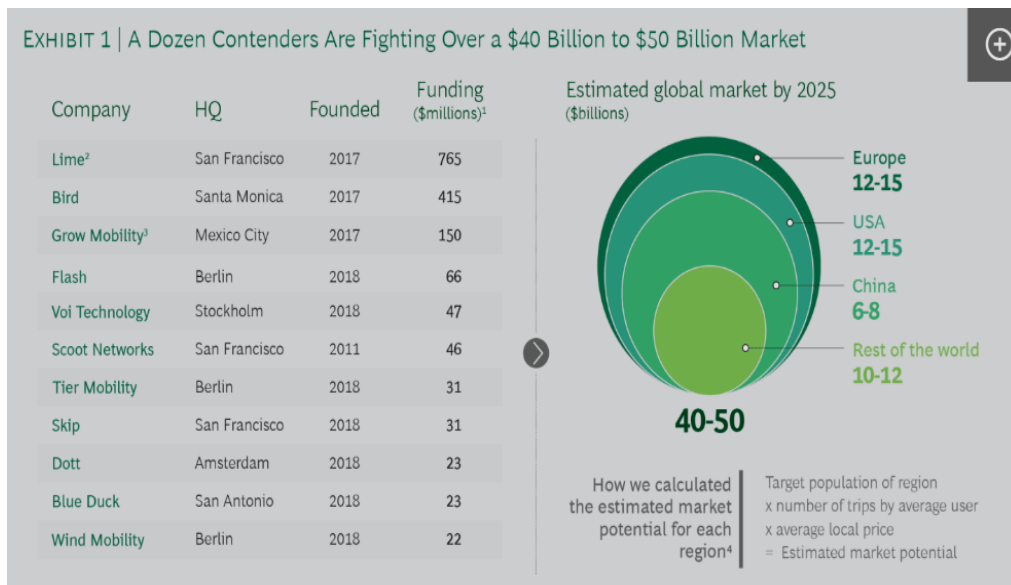


Figure 1: A dozen Contenders are fighting over \$40 Billion to \$50 Billion market [2]

Other unique obstacles are originated by bicycles floating around the parking lots, sidewalks on the right side of the road, various types of bicycles and data exchange. However, we do not have a precise Free-floating customer behavior pattern, in contrast to the good old car-sharing.

Undoubtedly, we're dealing with a large number of target populations and take into account our business model for expanding the use of scooters, appealing more both to customers and bike suppliers. Hence the need to balance creating a good quality/cost ratio. From scooter registration and booking to the ride itself, most customer trips are tracked digitally thanks to the abundance of data sharing, allowing a better understanding of your customer's profile, needs and triggers.

1.2 Thesis outline:

The remainder of the thesis is methodized as follows.

Chapter two provides the audience with a fulfilled overview of the exact goal in terms of quantity and timeline that the Free-floating system is facing, a considerate insight of the

business model and a depiction of the nature of the challenge, and whether it's a customer or an industry related. All aiming to better vulgarize the context, clarify goals and current situation.

Chapter three points to the issue of research variability and gaps. It goes on lying selected why and how questions to reply to the chief focus of this thesis Scenario analysis: Profitable free-floating system.

Chapter four reveals the resolution and lay down the research methodology and tools.

Chapter five highlights the outcome and emphasizes the crucial role of the critical approach into identifying all of the eventual jeopardizing elements prior to a broad recommendation.

Chapter six opens with a mere depiction of current barriers and challenge facing the business model.

It is succeeded by a handful of recommendations for future Initiatives and Research guidelines. We ultimately close the present paper with Conclusions of the subject matter and an Outlook.

7. Outlook and Conclusion

Throughout this research paper, we were able to provide the audience with a peculiar analysis of the relatively recent Free-floating Sharing System.

We have used our methodized analysis to extract concise conclusive data serving profitability of the system.

We have been able to conduct such research by identifying the realms of the context as well as business goals on different levels namely quantity and timeline.

Having profitability serving as genesis for this study, we dived deeper into the business model subject to the present paper, depicting the roots of challenges facing this system and reflecting upon whether the elements are industry or customer oriented.

Then we went on dividing customer clusters based on profiling data.

We subsequently laid down selected research methodology and tools by using the BCG Matrix and the 4P Marketing Mix Model.

We succeeded in providing a few useful insights into eventual solutions and respective strategies to each segment to optimize profitability and allow the industry, at least theoretically and intrinsically, to reach its full potential.

In the Following chapter we turned the attention to the challenges and limitations facing the free-floating sharing system and we recommended a few resolutions for future Initiatives.

Ultimately, shared e-scooter systems do have the potential to contribute to efficient and sustainable urban mobility – particularly for short trips – but only as one piece of a larger puzzle.

If effectively regulated, they can very much be the future of short distance urban micro mobility, alongside public transportation, and other substantial alternatives to the good old automobiles.

To concretize this, local governments should have a holistic approach as regarding e-scooters as part of the larger urban fabric, incorporate them into local and regional strategic planning initiatives, and pursue close integration with public transportation.

As a matter of fact, government actions are fundamental to the eventual expansion of Free-floating, as to remedy to some of the challenges, firm measures are needed to be implemented by the state such as traffic regulations and the investment in a better infrastructure for biking in general. The addition of e-scooter traffic also intensifies the existing need to invest in expanding and improving bicycle infrastructure.

Just as any new system , in order for free-floating to reach its full potential, one or more elements of the bigger picture--private vehicles for instance- should bend the knee leaving the way for a new, fresh and more coping system with the rapid pace of contemporary life.