

GROWTH OF PEER-TO-PEER CAR SHARING MARKETPLACE

A REPORT BY  Zoomcar

2024



This whitepaper provides an overview of the car-sharing industry in India, with a focus on Zoomcar's peer-to-peer car sharing marketplace business model, market presence, and strategic enhancements.

By analysing global trends, emerging opportunities and current offerings, stakeholders including car owners, self-drive car users, potential business partners and micro entrepreneurs can gain valuable insights into the future of peer-to-peer car-sharing marketplace and its potential impact on urban mobility.



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PART I:

Introduction to

Peer-to-Peer

Car Sharing

What is Car Sharing

Car sharing has emerged as one of the most innovative and flexible mobility solutions in recent years, revolutionizing the way people access vehicles. At its core, car sharing enables users to lease vehicles for short durations, ranging from a few hours to several days.

Peer-to-peer (“P2P”) car sharing facilitates vehicle sharing directly between individual owners (“Hosts”) and users (“Guests”) through a marketplace platform. Hosts earn income by sharing their cars, while Guests gain access to a convenient and cost-effective alternative to traditional car rental services.

Self-drive car sharing enables Guests to drive the leased car that enables freedom, privacy and convenience.



Benefits of P2P Car Sharing



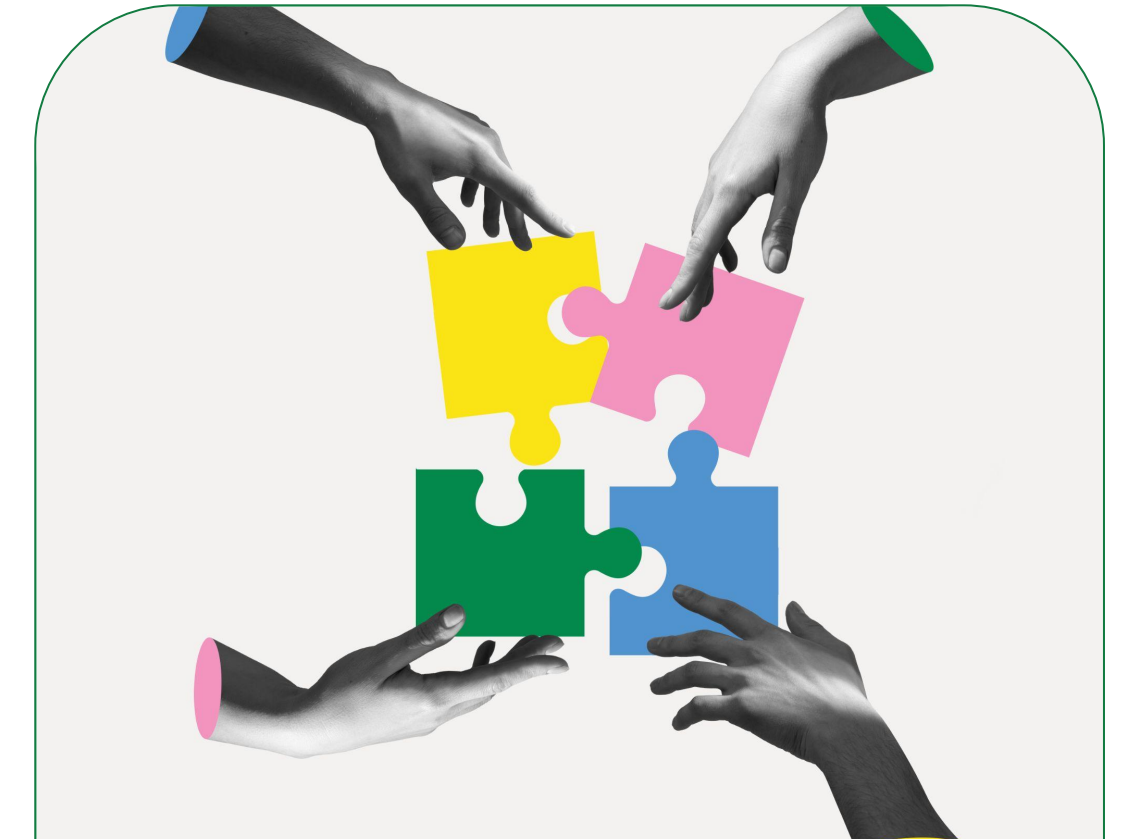
Car Owners:

Generates income from cars and offsets ownership costs



Travellers:

Provides flexibility and access to vehicles without long-term commitments



Communities:

Reduces urban congestion and promotes a sharing economy

Factors Driving Demand For Car Sharing in India

P2P car sharing has emerged as a transformative force in the transportation industry, driven by a confluence of factors like:

- Urbanization
- Expensive car ownership
- Travel and lifestyle changes
- Growing digital adoption
- Micro entrepreneurship opportunity
- Environmental awareness

Understanding these drivers provides insight into why car sharing is rapidly gaining traction and how it addresses modern transportation needs.



1

Urbanization and Congestion in Cities

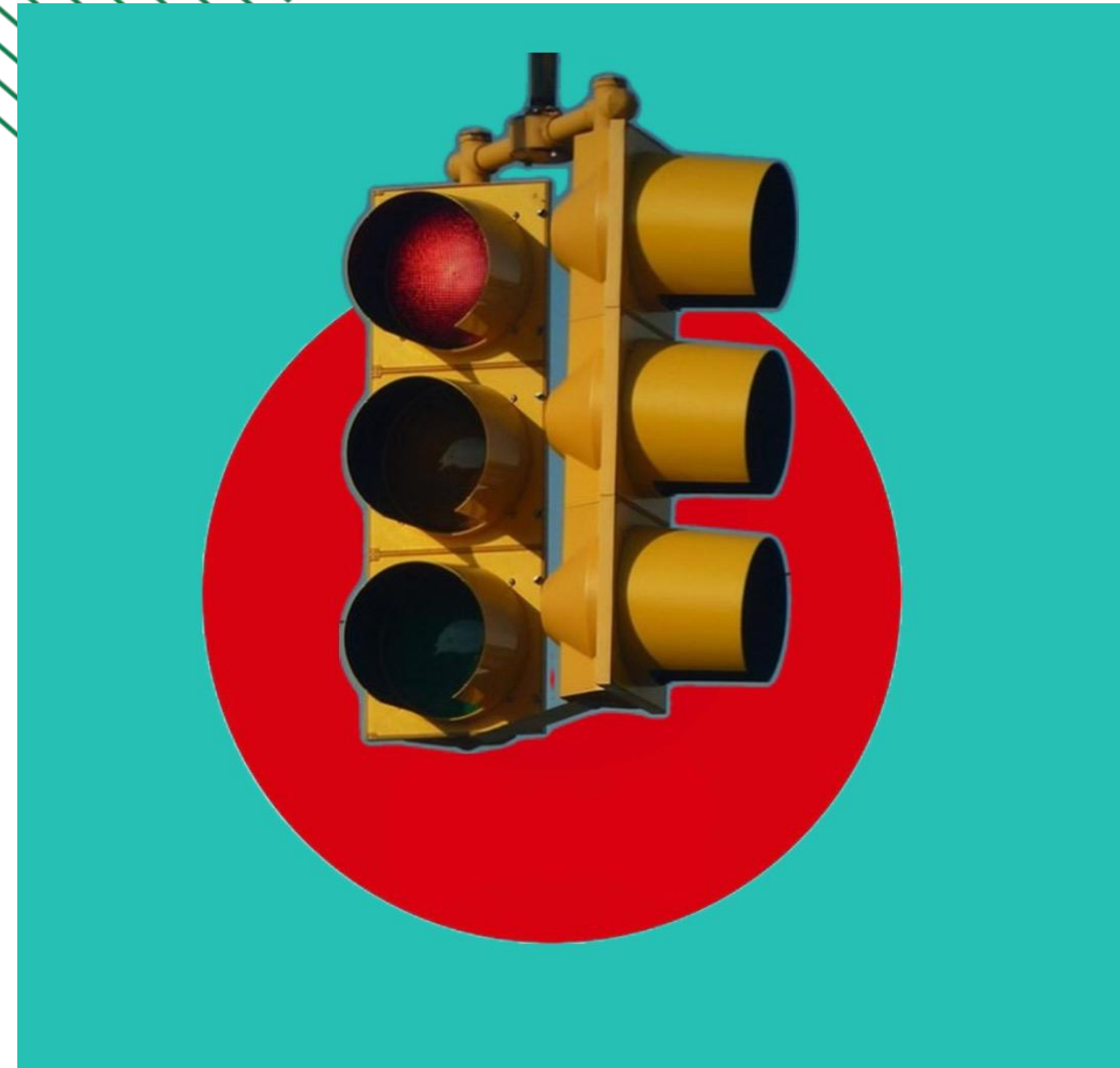
A key driver of P2P car-sharing adoption is urbanization. As more people move to cities, urban areas are facing challenges like traffic congestion, parking shortages, and pollution. In densely populated areas, where parking is scarce, it cuts the need for personal car ownership and eases pressure on city infrastructure.



India is 5th largest economy in the world¹

1.44bn Population of India²

65.2% Of the population projected to be working age by 2031³



1. as of 2023 | 2. Precursor to census 2024 report | 3. SEBI report

2

Car Ownership is Expensive in India

Buying a car is expensive and not affordable for many households in India. Fuel prices, maintenance, repairs, rising parking fees in congested urban areas further add to the financial burden of daily use. Additionally, rapid vehicle depreciation reduces resale value, makes car ownership less economical in the long term. India has 4x¹ more driving license owners than registered cars.

Registered cars per household  **0.1** India² vs **2.1** US³ 

New car price / GDP per capita  **3.7** India⁴ vs **0.7** US⁵ 



1. 151mn Driving licence holders in india 2 Registered cars per household India = India cars - 38mn, FADA/India households 302mn, Global data | 3 Registered cars per household US = US cars - 278mn, Forbes / US households - 131mn
4. Most sold car India -Suzuki Swift priced at \$10,100 on Cardekho / India GDP of \$2697 - IMF.org | 5. Most sold car in US - Ford F-150 priced at \$58,805 / US GDP - Worldbank

3

Shift in Travel and Lifestyle Choices

Consumer attitudes toward transportation are shifting, with a preference for access over ownership, especially among younger generations who prioritize experiences and flexibility. P2P car sharing fits this trend, offering vehicle options without the long-term commitment of ownership.

The rise of the sharing economy and the demand for convenience and personalized services have further driven the popularity of P2P car sharing. It offers the flexibility of car access without the financial burden, appealing to urban residents, occasional travelers and international tourists.



4

Technology and Digital Growth

Technology has transformed P2P car-sharing. Smartphones and apps have simplified access, enabling seamless booking, real-time tracking, and easy payments. Data analytics and telematics help optimize fleet management, improve vehicle maintenance, and customize services. This tech integration has significantly increased the appeal and accessibility of P2P car-sharing platforms.

131bn Digital transactions in India ¹

1.12bn Connected cellular mobile phones in India ²

42% CAGR Digital payment transaction volume since 2017 ³

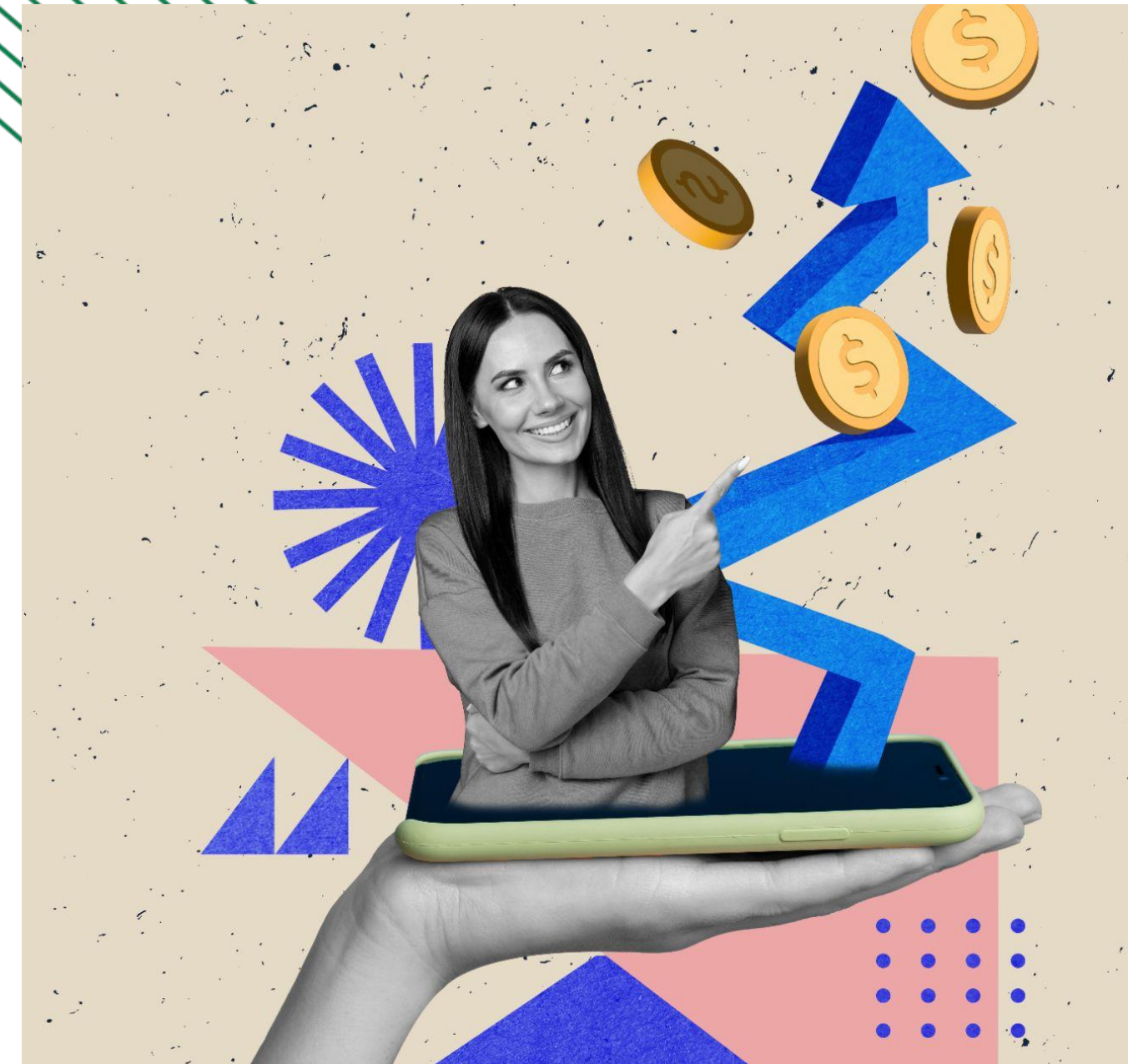
1 Livemint, 2 TRAI, 3 Indiatimes



5 Entrepreneurship Opportunities

Car sharing presents a compelling micro-entrepreneurship opportunity by enabling individuals to monetize cars. This model requires minimal upfront investment, as the primary asset—the vehicle—already exists, making it an accessible option for many. It allows Hosts to offset ownership costs, such as maintenance and loan payments, while contributing to a collaborative economy.

Car sharing empowers individuals to become micro entrepreneurs, turning a depreciating asset into a source of passive income while fostering sustainable and affordable mobility.



6

Environmental Awareness

Environmental concerns are boosting demand for P2P car sharing. The transport sector is a major source of greenhouse gases. As climate change awareness grows, people seek sustainable alternatives to car ownership. P2P car sharing cuts vehicle numbers, reducing emissions and promoting cleaner cars.

Many services offer electric and hybrid vehicles, enhancing environmental benefits.



Potential in Emerging Economies



Opportunities

Reduced Demand for Parking and Traffic Congestion:

Encourages shared vehicle usage, easing urban infrastructure burdens.

Boost to Ancillary Businesses:

Supports industries like vehicle maintenance, insurance, and roadside assistance (RSA)

Push for Electric Vehicles (EVs):

Integration with EVs aligns with sustainability goals and government incentives.



Challenges

Infrastructural Limitations:

Insufficient EV charging stations and inconsistent road infrastructure.

Regulatory Ambiguity:

Lack of clear frameworks for shared mobility complicates operations.

Consumer Trust and Behavior:

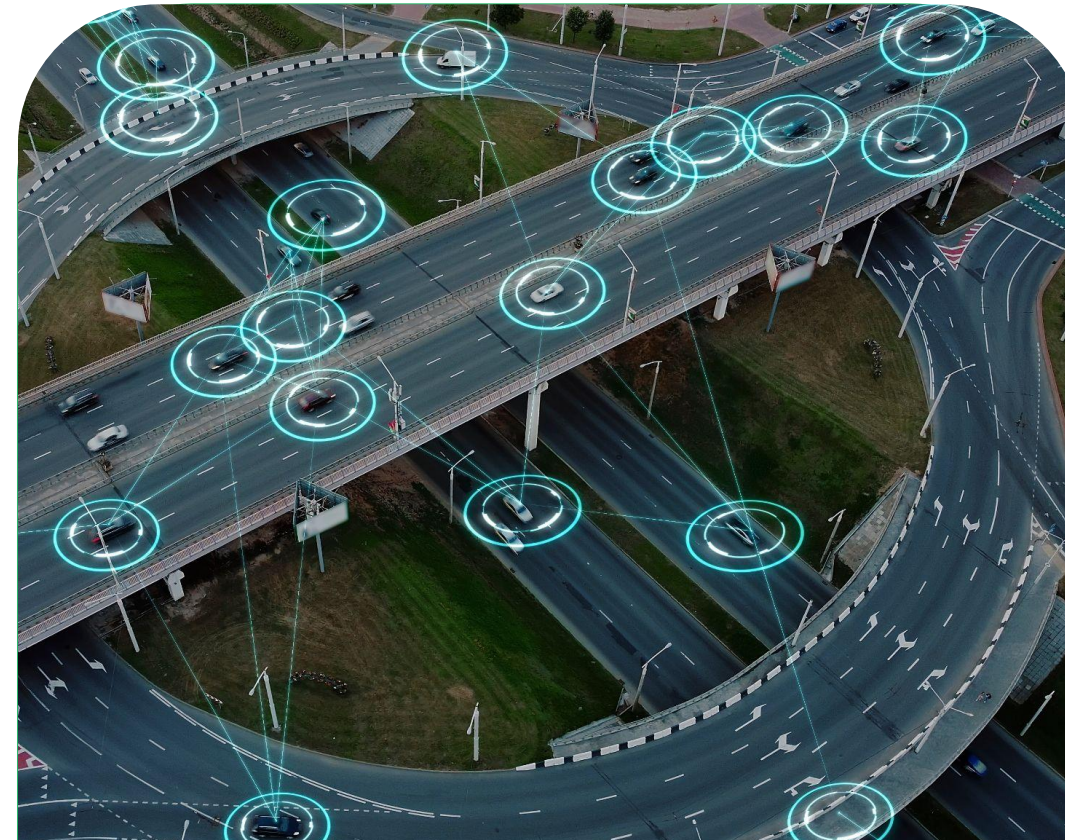
Varied expectations and skepticism about vehicle sharing models.

Key Solutions For Success in Car Sharing



Enhance Customer Experience:

Focus on vehicle availability, transparent pricing, and reliable support.



Leverage Technology:

Develop user-friendly apps and real-time tracking systems.



Collaborate on Policies:

Partner with regulators to create clear, favorable frameworks for shared mobility.

Indian Government Bodies' Outlook on Car Sharing

The **Ministry of Electronics and IT (MeitY)**, in its report "India's Trillion Dollar Digital Opportunity," proposed advancing car-sharing through technology and the shared economy. Key strategies include creating digital platforms, partnering locally, and offering flexible services, while emphasizing localized solutions to optimize underutilized vehicles and boost car-sharing acceptance.

At the 2018 "Move" Global Mobility Summit, **Niti Aayog** highlighted the burdens of growing vehicle ownership, including congestion and pollution. It emphasized the need for P2P car-sharing to address these issues, inspired by global trends offering flexible, cost-effective solutions.



Global Policies & Regulations

Favourable changes in the policies and regulations have driven global car-sharing growth. **Germany** has led this transition with the 2017 Federal Car Sharing Act, recognizing P2P car-sharing to meet mobility demands.

Other regions, like the **UK, Australia, and U.S.** states such as Ohio, Maryland, and New York, followed with similar laws which also recognised issues like driver verification, insurance, and allocation and coverage of the accident liability.

Incentives like dedicated parking, reduced tolls, and carpool lane access further promote car-sharing, integrating it into transportation networks. Regulatory support creates a conducive environment for growth.



Insights from Global Leaders



Rise of Mobility-as-a-Service (MaaS)

Car ownership is becoming less appealing due to high maintenance costs and parking challenges. In the US and EU, more people now view mobility as a service, driving the rapid rise of peer-to-peer car sharing.



Operational and Market Adaptations

Car-sharing providers in evolved markets are focusing on efficiency & profitability by insourcing tasks like cleaning, maintenance, and damage control, reducing downtime and improving operations.



Role of government in P2P car sharing

Cities are supporting car-sharing with policies like lower parking fees and reserved spaces. Places like Copenhagen and Oslo are reducing emissions, improving mobility, and promoting sustainability. These initiatives benefit operators and support environmental goals.

PART 2: **How Zoomcar is** **Solving For** **Car Sharing in India**

About Zoomcar

Started in 2013 and headquartered in Bengaluru, Zoomcar pioneered self drive car service in India and is a leading car-sharing marketplace. The Zoomcar community connects Hosts with Guests, who choose from a selection of cars for use at affordable prices, promoting sustainable, smart transportation solutions in India.

Zoomcar offers competitive pricing and tailored solutions to both Guests and Hosts enabling flexibility, quick payments, safety, security and support.



99

Cities and growing



10M+

App Downloads



47K+

Registered Cars



85%

5 star rated bookings

Self-drive a Zoomcar



Share your car & become a Host



Solving Customer Problems

For Guests

Unique Offering with Self Drive:

Widest range of car & car models with unlimited kms, no deposit, trip protection & roadside assistance.

Economic Benefit:

Buying a car is expensive, Zoomcar provides convenience to travel with freedom and affordability.

For Every Travel Need:

Leisure, work or daily errands, one can book for as low as 4 hours to days, weeks and even months.

For Hosts

Income & Micro Entrepreneurship:

Instant payouts, stable income and opportunity to expand business with multiple cars.

Flexibility and Safety:

Choose no. of sharing days and pricing along with enhanced car safety via GPS tracking.

Technology & Support:

AI based systems that help easy onboarding and automatic pricing with a 24*7 expert support team

For Society

Reduced Urban Congestion:

Reducing the number of vehicles on the road and easing traffic congestion

Environmental Benefits:

Optimizes vehicle usage, contributing to lower carbon emissions.

Improved Urban Sustainability:

Aligns with smart city initiatives by supporting shared mobility and reducing parking demand

Hear from Our Users



“Booked Zoomcar for a trip with my family during the Independence day holiday, at a cost of ₹9,000 (USD108). We didn’t want to book a rental car with a strange chauffeur. Privacy and the feeling of driving-on-your-own are important factors for our family!”

– **Krishna, Guest**



“I started by hosting just 1 car last year and immediately realised that it can become a business. With my friends, I have been adding 1-2 cars every month, and now we’re hosting 15 vehicles. We all became entrepreneurs!!”

– **Manjunath, Host**

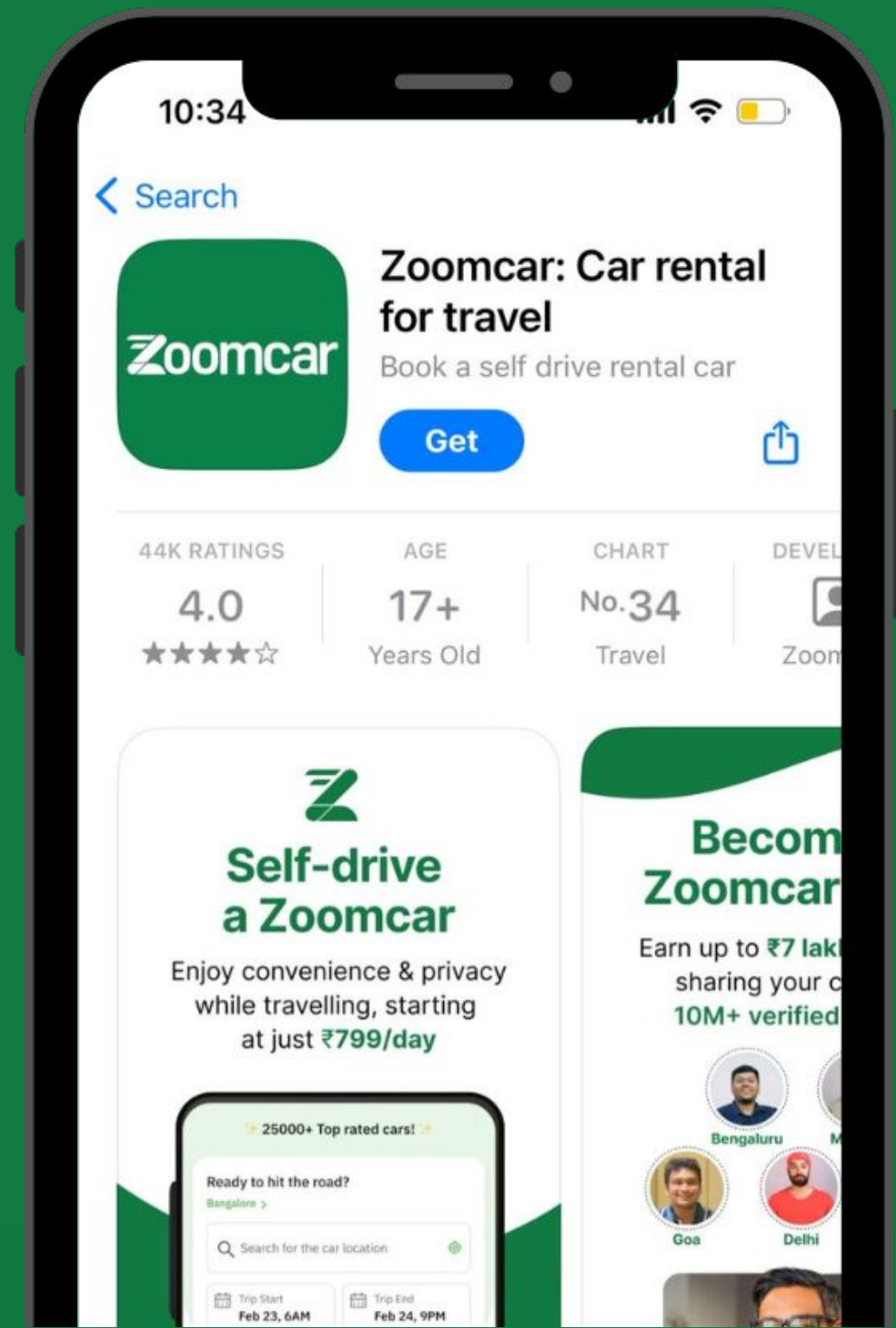
*Images are only for illustrative purposes

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