Everything You Need to Know to Successfully Launch a

Vehicle Sharing Business

Whether you're a startup looking to make a positive change in the world of transportation or you're an already established company exploring ways to expand your sustainability portfolio, launching a vehicle sharing business is a proven concept in the **mobility landscape**.

There are many benefits to vehicle sharing. Not only is it a more sustainable alternative to **car ownership** with a positive impact on urban landscapes, it's also predicted to be the future of how people move.

Launching a new business is no easy feat, especially for industries like mobility where market regulations and user preferences can affect your entire business strategy.

In order to help you navigate the launch of your vehicle sharing business, we've put together this comprehensive guide outlining all of the steps you need to keep in mind.

Getting to know
your market and
your target user

Local laws and regulations

Before anything else, you will want to check with your local authorities to see what regulations you must adhere to. Every country and every city is different. Certain laws might prohibit the availability of micromobility in parts of the city center, for instance, which could seriously impact your business operations. This is the first step before getting into any other part of your planning.

Target market and users

As with any business, you should know who your target market is before developing your product. Who is your customer? Which of their needs are you trying to address? What will make your vehicle sharing service **different** from others already on the market?

Vehicles for local preferences

It's important to consider the geographic location of your vehicle sharing service in order to choose the right type of vehicle for the terrain and preferences of local users. Beach communities, for example, might prefer moving on bike, whereas inner city customers might prefer kickscooters or mopeds. And for snowy or rural landscapes, car sharing might make the most sense.

Which vehicle sharing model is best for you?

By far one of the most crucial decisions for your fleet business is whether you want to offer your vehicles in a free-floating or station-based business model. Both certainly have their **advantages and disadvantages**, however there might be a model that better suits your goals.

What is free-floating vehicle sharing?

A free-floating model means that your vehicles are independent of a station and can be placed anywhere. As long as you comply with your city's micromobility regulations, your vehicles can be strategically placed in hotspots where there is high demand. Users can book, ride and park your vehicles wherever is most convenient to them.

The pros of free-floating vehicle sharing:

✦ highest flexibility for users
✦ increased accessibility
✦ lower user churn rate
✦ higher demand
✦ easier relocation
✦ swappable batteries

The cons of free-floating vehicle sharing:

➖ increased risk of damage or theft

What is station-based vehicle sharing?

Station-based sharing means that users must pick up, park and lock your vehicles in a dedicated station. You can offer several stations within a city, and often it doesn't matter which station users return a vehicle to. As an example, users could rent a bike in the city center and then later park it at a station that's closest to their hotel.

The pros of station-based vehicle sharing:

✦ increased security and protection from theft
✦ longer vehicle life

The cons of station-based vehicle sharing:

━ less flexibility for users
━ higher churn rate

The right mobility software to get your business off the ground

Now that you've chosen your business model and gathered key insights into your market and ideal user, it's time to get down to the nitty gritty.

By launching a shared mobility business, what you're essentially offering is a service to an end consumer who will book a ride on one of your vehicles through a mobile app. For that actually to happen, you will need a robust **mobility technology stack** – meaning the **right software – to power your vehicle sharing business.**

Your mobility tech provider should include:

● A user-friendly, white label app that users can download in the app store and use to search and book your vehicles. The app should be customizable to your brand, including logo and colors.

● An operational dashboard so that you can track all the details of your fleet, including vehicle status, battery levels, user profiles, and ride history. You should also be able to create marketing services like promotional codes or coupons.

● Analytics and reporting to give you insights into the usage and demand of your fleet, either over time or in real-time. Receiving and acting on these insights will help you leverage your data effectively to boost the quality of your fleet service.

Finding a mobility Software-as-a-Service provider to meet your needs

You've considered and made a list of all the technological features you will need to launch and operate your fleet. The next question to consider is if you should go about building all of this in-house – that is, hiring a team of engineers who can build the software from scratch – or if you should outsource the entire production to a **mobility Software-as-a-Service provider** (also known as MaaS, Mobility-as-a-Service), who can do all the heavy lifting.

Below we've outlined some of the pros and cons of outsourcing vs. building a mobility tech platform in-house. Generally speaking, building a platform in-house is a lot more expensive and takes much longer than outsourcing to a provider with a ready-made solution. This is because you would need to go through the entire hiring and vetting process of finding the right team to build what you need, or add workload to your already existing engineering team.
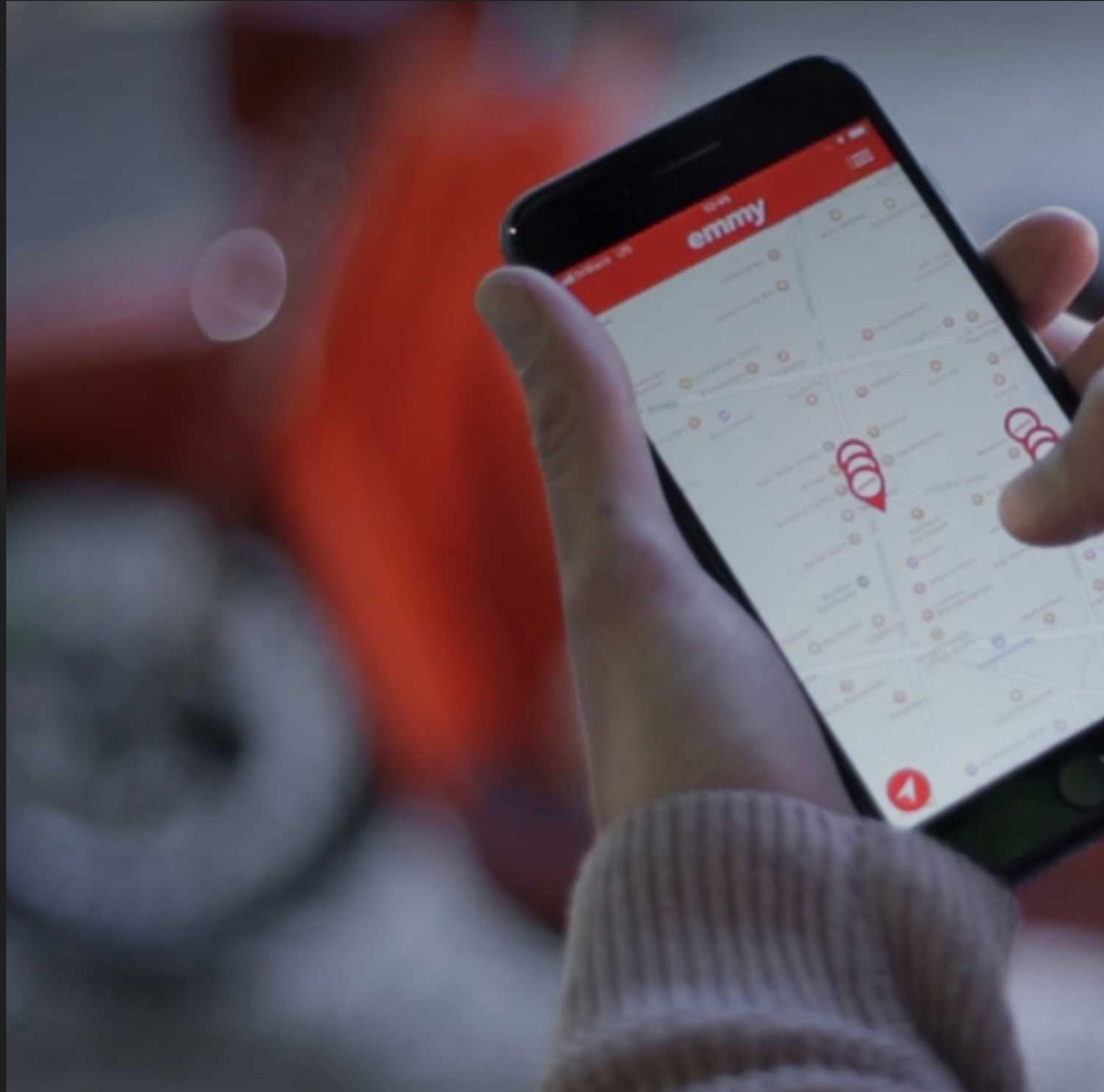
Outsourcing
mobility software

The pros of outsourcing mobility software:

♣ save on labor costs
♣ faster time to market
♣ built by industry veterans
♣ peace of mind so you can focus on your business
♣ no tech knowledge required

The cons of outsourcing mobility software:

➖ not able to micromanage every step of the process
➖ fewer customization options

Building mobility software in-house

The pros of building mobility software in-house:

✦ ability to customize to exact specifications
✦ control every part of the workflow

The cons of building mobility software in-house:

�– quite expensive
�–takes more time than a ready-made solution
�–little to no expertise from industry veterans

# Which vehicle is best suited for your business?
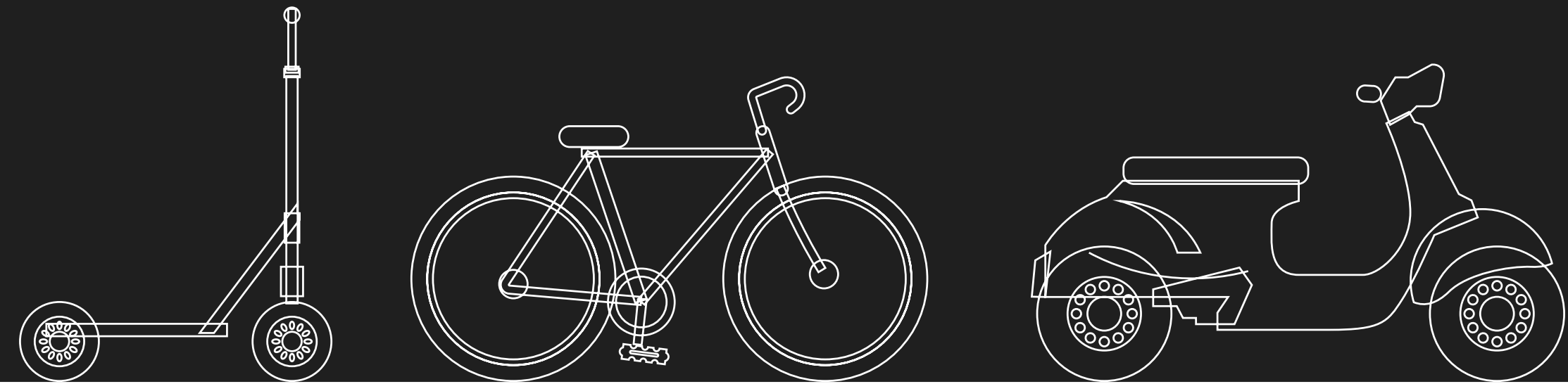
Choosing the right vehicle type and model for your mobility business is no small feat. In the world of vehicle sharing, there are a few go-to electric vehicles:

- Bikes
- Kickscooters
- Mopeds
- Cars

Depending on if you choose to have a free-floating or station-based model, your choice of vehicle might be bound by certain restrictions. Generally speaking, kickscooters and mopeds are the most flexible vehicle types – and also the most popular – because they can be picked up and parked pretty much anywhere.

If you've chosen your preferred vehicle and model already, there are still some things to consider before you go about ordering them. We talked to our **sharing vehicles experts** to bring you a list of the top 3 things to keep in mind when sourcing your mobility hardware.
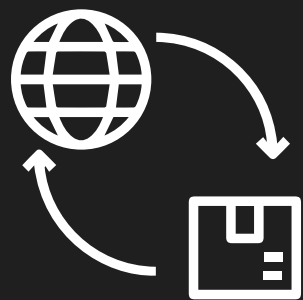
Tip #1 - Don't strike your own deals with manufacturers

A classic mistake is assuming that you will save money if you bypass a good provider and buy directly from an overseas manufacturer. Though nowadays many manufacturers do offer IoT devices with their vehicles, many do not use custom built IoT devices, which more often than not results in poor connectivity. And that in turn means that you and your users cannot connect to your fleet of vehicles. **Ordering a vehicle fleet**, shipping them to your home country and then having to deal with retrofitting IoT devices onto all of them is actually quite expensive and costs a lot of time.

Tip #2 - Find a vehicle provider who can offer you a complete package

Instead of trying to piece together several components from different providers on your own, why not save yourself some time and effort by going for a complete package? Look out for mobility tech providers that offer package deals that combine hardware and software capabilities.

Tip #3 - Don't buy vehicles off the rack

A **strong brand identity** on your vehicles will help you stand out in a crowded market. You'll want to be able to **customize everything** with your own logo, colors and icons. This includes your branded user app. Are you banking on having a neon color palette to attract tourists in a crowded city center, or are you going after commuters and business people by offering them a sleek, minimalistic look? Whoever your target market might be, customization can be an absolute dealbreaker, so it's important to take that into consideration when sourcing your vehicles.

Now all that's left
is to get started

We've covered a lot in this guide and it might seem like there are many hurdles to conquer before you can launch your vehicle sharing fleet.

It's good to plan and get the details right – and it's even better when you have industry veterans at your side who can guide you every step of the way.

Wunder Mobility has years of experience in the field of new mobility and has successfully helped launch over 50 vehicle sharing services around the world. Our mobility technology and dedicated team supports clients from launch and throughout their operations.

If you want to receive a tailored demo of our platform and learn how we can help you with your vehicle sharing launch,

Get started