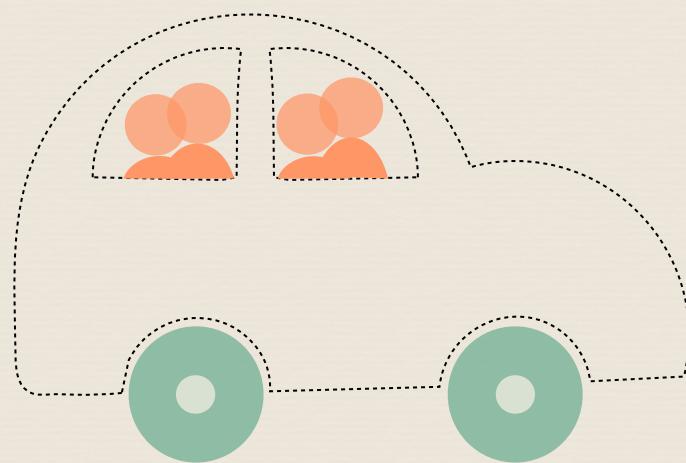




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## CARPOOLING FOR A BETTER WORLD



## INDUSTRIAL ANALYSIS REPORT

Global Manufacturing Strategy

Tsinghua University

2015

«

BY SHARING WE  
STAND PREPA-  
RED TO BUILD RE-  
LATIONSHIPS AND GIVE  
WINGS TO HUMANITY.

»



## A GROWING MARKET

The market of carpooling is much diversified. It include the individual user who shares his car with his colleagues, the student who user carpooling to have cheap travels and the one who use it to reduce his impact on environment.

We can group these different actors in the following categories:

- **Usage for daily travels**
- **Usage for long travels**
- **Carpooling organization inside a company**
- **Business companies proposing carpooling**
- **Institutional carpooling systems**



## REAL IMPACTS OF THE ENVIRONMENT



Even if this is not the first motivation of carpoolers, reducing the number cars on the road will reduce the pollution.

By taking the decision to use carpooling, the users can contribute to the protection of the planet.

This awareness regarding the environment is also a motivation for the companies to propose carpooling services for its employees and encourage them to reduce the CO<sub>2</sub> emissions at their scale.

## NEW TECHNOLOGIES

Dynamic carpooling consists on managing a continuous access to the carpooling available offers. A real time access is provided through a continuous updating of the offers and the demands

The popularization of smartphones, tablets, connected devices, free access to the Wifi, GPS, 3G, 4G, the ‘in real time’ became totally possible and accessible for all people.

Then the implementation of decentralized systems like Multi-Agent Systems (MAS) or Blockchain will help the market to grow. The objective of these Agents is to successfully associate the different users through an optimization process subjected to several, complex and variable constraints.



## PUBLIC POLICY AND SOCIAL ASPECTS

The market is highly dependent on the public policy and the social awareness. If these two aspects could be an opportunity, some public policies are obstacles for the development of this kind of markets.

Due to the high competition in the transportation industry, some countries prefer to protect the classic market from this kind of activities.



This IAR will study the differences of Law and Culture in different countries to try to highlight the points that are going to help this market.

# LOGIC

## INPUTS

### Resources:

Articles  
Journals  
Books  
Lectures  
Videos

### Time:

One semester

### Assistance:

Professors

## OUTPUTS

### Activities: IAR

#### Market Analysis:

Companies and strategies around the world

#### Challenges:

The challenges that ridesharing companies, users and governments are and will have to solve

#### Technology Analysis:

The technological tools being used and that can be improved

#### Transportation Analysis

#### Law and Public Policy

#### Social Awareness

## Assumptions

External analysis report

Most part of statistics about carpooling are based in USA info

# MODEL

## Participants

The team members

Professors

Teacher Assistant

Classmates

## OUTCOMES

### Efficient transportation:

Traffic flow and reduction of Co2 emissions.

Reduce transportation cost.

### Market-Economic:

Develop the market of ridesharing and help new companies to take better decisions and strategies.

### Social Impact:

Understand the behavior and practice of people ridesharing

### Policies:

Development of policies in order to regulate and increase the users of carpooling

Improve security in carpooling

## External factors

Governments laws

Public transportation

Price of energy

Security

# About Autors



## Massine AKILAL

« After a preparatory class in France, I entered an engineering school specialized in Mechanics and Energy. After two years in this school and an Internship in automotive industry, I decided to take a double degree program in Tsinghua University.

For me it was an opportunity to study abroad first and then to study Industrial Engineering completing my initial background in mechanics. »



## Morgane BARILLET-GENESTIER

« I am French and I have a professional bachelor in Quality Management.

After my graduation, I worked for Airbus SAS in Toulouse (France) for 1 year. I was in charge of several suppliers as Supplier Operation Manager in the Procurement team.

I finally had the opportunity to integrate the Industrial Engineering Department in Tsinghua University to do a Master degree in Management of Science and Engineering. It is a real chance for me to finalize my academic cursus and improve myself in a lot of domains. »



## Santiago COELLO

« I am from Guayaquil, Ecuador. I received my Bachelor Degree in Mechanical Engineering in ESPOL university, Ecuador.

I am a candidate master student in Management Science and Engineering, Chinese Program, at Industrial Engineering

Department in Tsinghua University, focused in logistic and supply chain area. »

**MyCHE**  is a group consisting of 3 graduate international students at Tsinghua University. They come from two different countries : France and Ecuador.

This report was written as a part of « Global Manufacturing Strategy' course by the Industrial Engineering Department during the Spring Semester 2015.

This report aims to provide a general overview to the current state of the carpooling service through the world to a general audience.

The contents of this report deals with different elements : history of carpooling, market and technology analysis, law and public policy and social awareness.

Based on this, this report propose a discussion about the future of carpooling.

## Introduction

## Objective

**<<**

**96 %**

**of time, your car  
is parked**

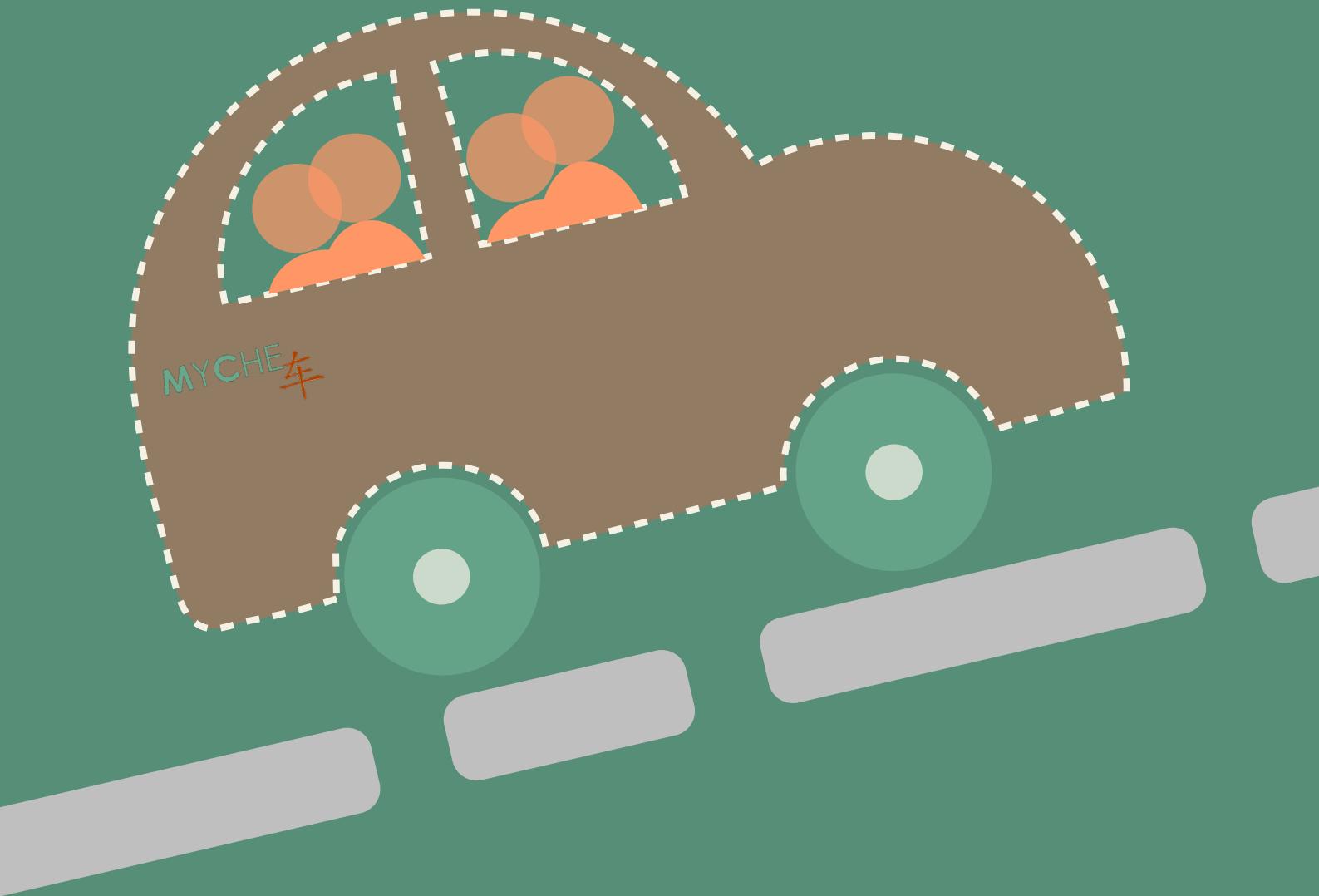
**>>**

P



**Stephan Heck**

*Consulting Professor, Precourt Institute for Energy,  
Stanford University*



## EXECUTIVE SUMMARY

## INTRODUCTION

Concept of Carpooling

Carpooling over the years

# TABLE OF CONTENT

## **PART I : MARKET ANALYSIS**

- Market size and growth
- Real-time ridesharing services
- Some companies examples
- Transportation cost
- Traffic Flow

## **PART II : TRANSPORTATION ANALYSIS**

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## **PART III : TECHNOLOGY ANALYSIS**

- Used technologies
- Limited possibilities
- Technologies to boost the market

## **PART IV : LAW AND PUBLIC POLICY**

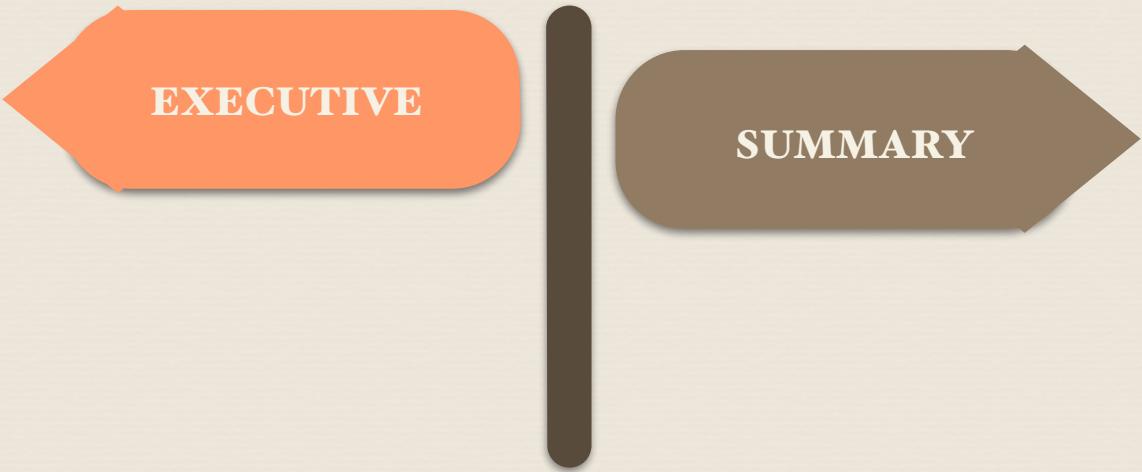
- Countries examples
- Governments actions

## **PART V : SOCIAL AWARENESS**

- Motivations

## **CONCLUSION**

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## EXECUTIVE

## SUMMARY

During this last years, the sharing economy had an important place in the society. Particularly, the carpooling and ridesharing market had a fast growth. This fast evolution is due to several factors like the transportation cost, the social awareness, the government supports for these activities and other aspects related to the people's way of life.

All these aspects are studied in this following report and supported by statistics and data from different sources. Firstly the carpooling and ridesharing market and its evolution is presented. Then a development of each aspect that makes people to carpool, helps to understand the reasons of the evolution and also the possible obstacles to carpooling.

Thus after noticing that a flexible mobility is an important criteria for people, the technology part explains how the new hardware technologies based on connected devices and the new software developments, like distributed and decentralized systems, could help the market by reducing the obstacle to carpool.

But this situation generated a new legal malfunctions. Indeed, the development of carpooling was faster than the modification of the law. Thus, this industry is either suffering from an excess of restriction or benefiting from the total absence of law which is responsible, most of the time, of conflicts with classic transportation industries.

# Introduction



Carpooling - Wikipedia

## Concept of Carpooling

Carpooling is an option whether or not own or drive a car. If someone know that travel the same route as a neighbor or co-worker, consider arranging to carpool or ride-share. Carpooling is seen as a more environmentally friendly and sustainable way to travel as sharing journeys reduces carbon emissions, traffic congestion on the roads, and the need for parking spaces. Authorities often encourage carpooling, especially during high pollution periods.

Carpool commuting is more popular for people who work in places with more

jobs nearby, and who live in places with higher residential densities. Is significantly correlated with transport operating costs, including gas prices and commute length, and with measures of social capital, such as time spent with others, time spent eating and drinking, and being unmarried. Is significantly less likely among people who spend more time at work, older workers, and homeowners.

Something similar, is ridesharing, that is a service that arranges one-time shared rides on very short notice. This type of carpooling generally makes use of three recent technological advances:

- λ GPS navigation devices to determine a driver's route and arrange the shared ride
- λ Smartphones for a traveler to request a ride from wherever they happen to be
- λ Social networks to establish trust and accountability between drivers and passengers

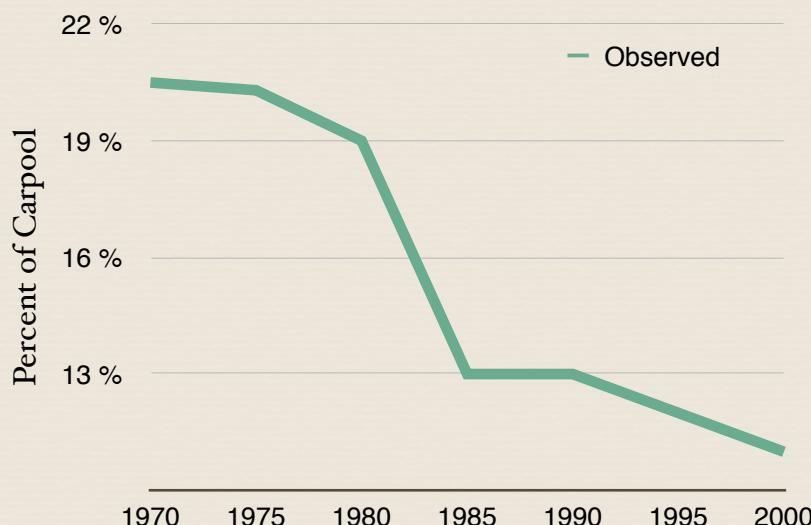


These elements are coordinated through a network service, which can instantaneously handle the driver payments and match rides using an optimization algorithm. Like carpooling, ridesharing is promoted as a way to better utilize the empty seats in most passenger cars, thus lowering fuel usage and transport costs. It can serve areas not covered by a public transit system and act as a transit feeder service. Ridesharing is also capable of serving one-time trips, not only recurrent commute trips or scheduled trips.

## Carpooling over the years

- 1** World War II car sharing clubs (1942-1945)
- 2** Energy crises (1970-1980)
- 3** Early organized ride sharing schemes (1980-1997)
- 4** Reliable ride sharing systems (1999-2004)
- 5** Technology-enabled ride matching (2004-today)

### Observed carpool trend in the United States 1970-2000



Source: The rise and fall of the American carpool: 1970-1990, Erik T. Ferguson & Associates, P.O. Box 888729, Dunwoody, Georgia 30356, USA

## 1942-1945



Propaganda for Carpooling during the Second World War. Sources: Oregon State Archives, US Archives and Records Administration

## World War II car-sharing clubs

Ridesharing began during World War II through “car clubs” or “car-sharing clubs”. In 1942 US government regulation required that ridesharing arrangements to workplaces be made when no other alternative transportation means were available. The objective was share a ride in one car to conserve rubber and fuel for the war effort. It also created a ridesharing programme called the Car sharing Club Exchange and Self-Dispatching System. Factories and companies were responsible for forming these car-sharing clubs. Even churches, homemakers, and parent-teacher associations were responsible for forming carpools to and from various functions.

## 1970-1980

## Major responses to the energy

Ridesharing reappeared in the late 1960s and grew significantly in the 1970s in response to the energy crisis and the Arab oil embargo of 1973 to 1974. During phase two, strategies to facilitate ridesharing included: employer-sponsored commuter ridematching programmes, vanpooling, HOV lanes, casual carpooling, and park-and-ride facilities.

These programmes were created relatively simply—each company collected employee data, hand-matched those who were neighbors (this eventually became computerized), and distributed personalized matches. This straightforward method proved highly successful; when coupled with priority parking privileges, several companies were able to double vehicle occupancies and reduce parking lot strain. Beginning in 1973, the Arab oil embargo shifted ridesharing’s focus from constrained parking supply concerns to energy conservation. Employer-sponsored commuter ridematching programmes caught the attention of US federal agencies as an aggressive tool to achieve energy conservation goals. The Federal Highway Administration (FHWA) began cataloguing successful employer ridematching programmes to publish guidebooks on carpooling and vanpooling. FHWA conducted a nationwide survey of ridematching programmes, many of which began during the energy crisis. The study found an increase of 29 to 400 commuters in carpools and a reduction of 23% of vehicle-miles travelled (VMT) among 197 000 employees

## Early organized ride sharing schemes

1980-1997

As energy conservation efforts waned in the 1980s and 1990s, transportation demand management shifted focus to improving congestion and air quality issues. Advances in computerized ridematching during this period also marked a move towards more dynamic ridesharing applications in the form of telephone and Internet-based ridematching programmes. However, as gasoline prices returned to lower levels during this time, ridesharing lost much of its competitiveness. Many of the early schemes, with developing and imperfect technology, never gained much use but formed the basis for many of today's ridesharing services.

## Reliable ride sharing systems

1999-2004

With most dynamic ridematching applications of the 1980s and 90s failing to overcome the “critical mass” barrier (i.e. providing enough users to consistently create a successful instant ridesharing match), most North American ridesharing systems between 1999 and 2004 focused on systems to encourage ridesharing among commuters who had the most reliable trip schedules. This included online ridematching and traveller information services.

With the proliferation of the Internet, many ridesharing systems took online forms, known as online ridematching. Fullfledged, online ridematching services began around 1999. Before then, websites were either simple pages listing agency contact information, online forms for users to e-mail the agency to receive a matchlist, or online notice boards for users to manually post or search carpool listings. Since 1999, private software companies began developing ridematching “platforms”, providing their suite of services to clients for a monthly fee. Carpools formed through online ridematching tended to be more static and inflexible and required prearrangement. While it was easier to find ridematches in a larger online database, these carpools still suffered from the same drawbacks as traditional carpools; namely, regular commuters lost the flexibility that private auto travel offered.

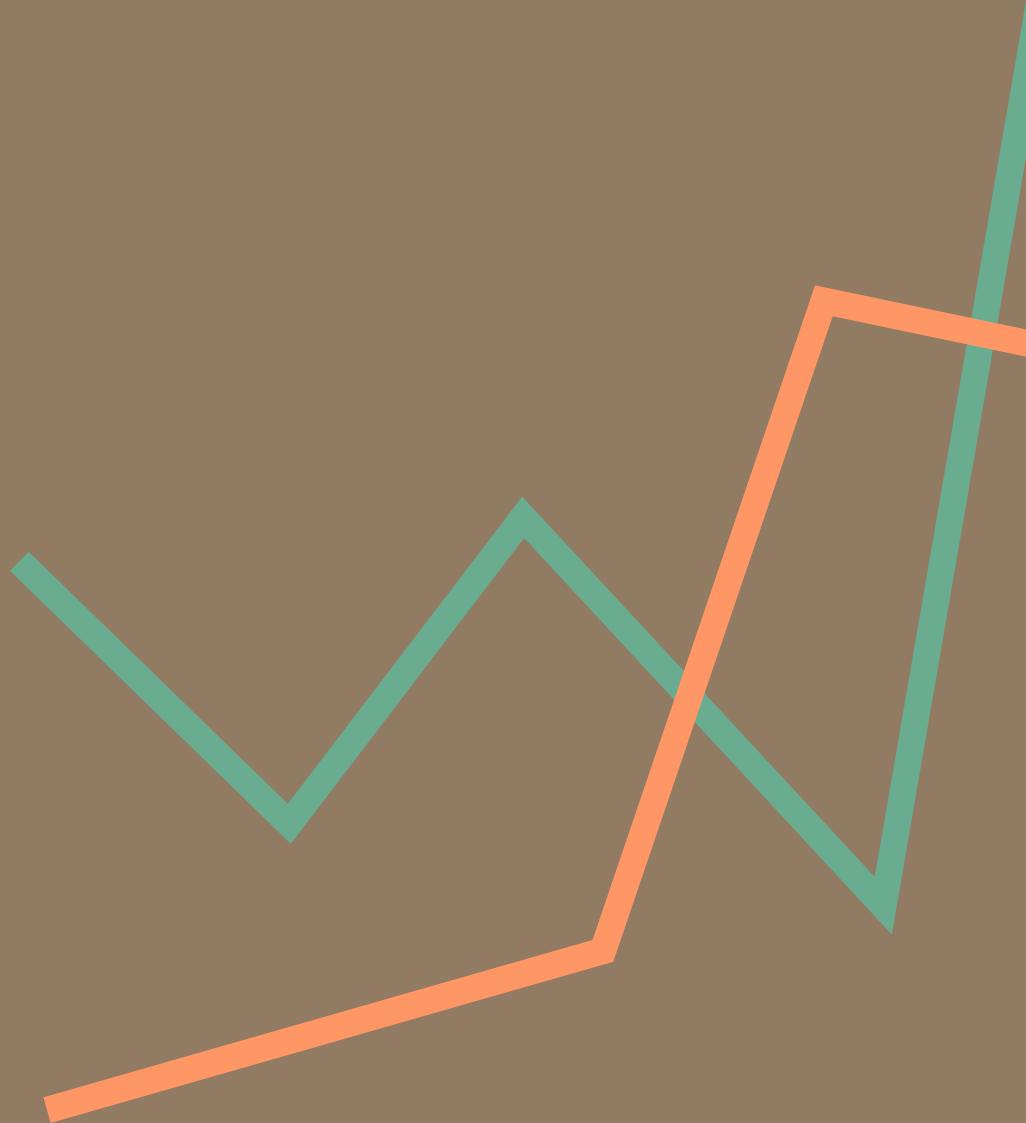
As housing and employment centres became more dispersed, giving even less incentive to rideshare, online ridematching had difficulty gaining more users than its related employer-sponsored commuter ridematching programmes of the late 1960s.

## Technology-enabled ride matching

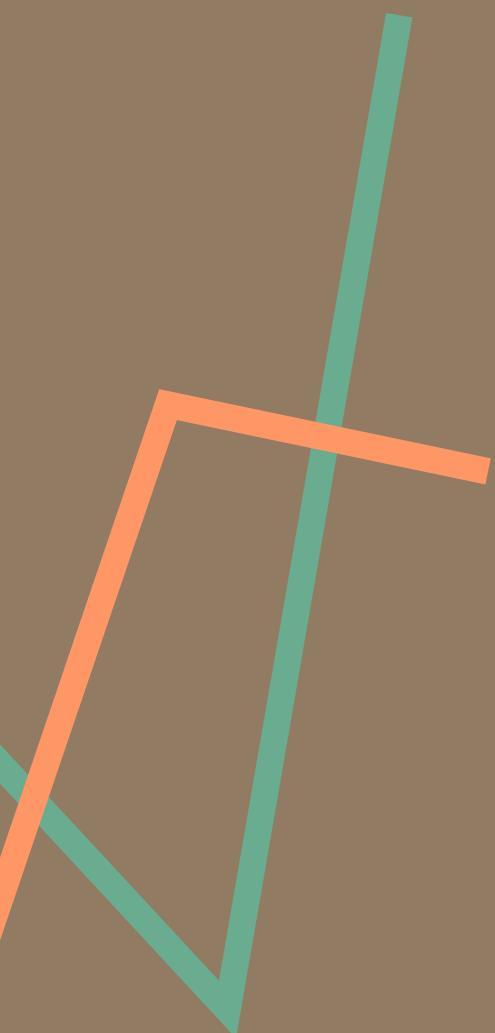
2004-today

Focus on reducing climate change. Financial incentives for “green trips” through sponsors. Growing dependence on foreign oil and traffic congestion. Partnerships between ride matching software companies and regions and large employers. Internet, mobile phones, and social networking platforms. Real time ride sharing services.

# Part I



# Market Analysis



## Part I: Market Analysis

In 2010, 1 000 millions cars passed

In 2004, 87 millions cars were produced

In the market we have some models of carpooling platforms. Nowadays is most notable for the widespread integration of the Internet, mobile phones, and social networking (i.e. an online community where individuals connect and interact) into ride sharing services. At present, the majority of

North American, Europe and Asia ride matching services use online websites or smart phone applications as their chief technology medium. In some developed countries we have that around 10% of the people use carpooling to go work.

## Ride matching platform partnerships

From 2004 to the present, a new generation of ride matching platforms has been developed for regions and employers to use. Moreover, there has been significant growth and overall success with this strategy. Partnerships between ride matching software companies and its large-scale clients take advantage of existing common destinations and large numbers of potential members. These firms sell their ride matching software “platforms” to public agencies and employers, which are sometimes used as standalone websites for each group. While this partnership strategy has gained more users than previous ridesharing phases, it is most suited for commuters with regular schedules.

## « Green trip sponsored incentives »

Many public agencies and companies promote ridesharing by providing its members with incentives. One example is NuRide—an online ridesharing club with over 63 000 members in seven US metropolitan areas (NuRide, 2011). NuRide rewards points when members carpool, vanpool, take public transit, bike, walk, or telecommute for both work and personal trips.

These points can be used for restaurant coupons, shopping discounts, and attraction tickets. NuRide partners with public agencies, employers, and businesses to sponsor the incentives. Similarly, RideSpring works with employer commute programmes and participating employees can enter monthly drawings for prizes from over 100 retailers (RideSpring, 2010).

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The rise of social networking platforms, such as Facebook, has enabled ride-sharing companies to use this interface to match potential rides between friends or acquaintances more easily. These companies hope that social networking will build trust among participants, addressing safety considerations. One example is Zimride, which has partnered with 86 US and Canadian colleges, universities, and companies that each has their own “network” of members (Zimride, 2011). In addition to each network’s website, Zimride also uses the Face-

book platform to attract public users. It allows members to create their own groups based on common area, company, school, and shared interests. However, social networking may limit itself by relying on more isolated groups and excluding less tech-savvy users.

## Social networking platforms

# Real-time ridesharing services

The future is the  
share economy

Real-time ridesharing uses Internet-enabled “smartphones” and automated ride-matching software to organize rides in real time. This enables participants to be organized either minutes before the trip takes place or while the trip is occurring, with passengers picked up and dropped off along the way.

These programmes attempt to address the inconvenience of traditional carpooling and vanpooling.

All this models for ride matching added to the different periods of ridesharing apps, made that until 2011, just in North America were 638 ride-matching services.

Therefore, it resulted in disparate, non-standardized databases that leave many programmes with a lack of critical mass and safety.

3 000 million people  
have access to internet

## International comparison of work trip modes shares

Nation	Personal Vehicle, Driver	Personal Vehicle, Carpooling	Public Transit	Walked	Cycled	Other	Carpool & Public Transit
United States	78,2 %	12,6 %	4,7 %	3,0 %	0,4 %	1,0 %	17,3 %
Canada	73,8 %	6,9 %	10,5 %	6,6 %	1,2 %	1,0 %	17,4 %
UK	62,0 %	8,0 %	14,0 %	11,0 %	4,0 %	1,0 %	22,0 %
Australia	71,0 %	7,6 %	8,5 %	4,7 %	1,2 %	7,1 %	16,0 %

Sources: US Census, 2000 Journey to Work, StartCan, 2001 Commuting Patterns of Canadians, UK DfT, 1999 National Travel Survey, ABS, 2001 Census of Population & Housing

## North American Ride matching Services (July 2011)



Sources: ITS Berkeley, Transportation Sustainability Research Center

# The latest movements and strategies on market across the world

During the last years what the market has experimented the rise of some start-ups around the world related to ridesharing and carpooling smartphone applications and web services, using the technology like google maps to have real time ridesharing services and the implementation of new economy business have resulted in some interesting movements and strategies in the global market . We can see it in the Table 1, the recollecting founding those company have had, give the impression that is a lot of interest from investment companies in this market. Also some of those

have taken the strategy to spread their services around the world, buying other local companies or even their competitors.

We are in front of a new and fast growing market, which one have aroused the interest of those were partner before, to nowadays become ferocious competitors. Nowadays have become a race, everyone is working with each other and working against each other, what make the market push forward technological and size advances.

## Ridesharing statistics in some countries around the world

Company	BLABLA CAR	SIDECA R	DIDA PINCHE	UBER	OLA	LIFT	DIDI DACHE	KUAIDI DACHE
Origin	France	United States	China	United States	India	United States	China	China
Launch year	2006	2002	2014	2011	2010	2012	2012	2012
Ridesharing/Taxi service		X		X	X	X	X	X
Carpooling	X	X	X	X		X		
Approximately Value (millions USD)	1,000`	NI	NI	60.000`	2,000`	2,500`	6,000`	
Funding Received (millions USD)	110`	35`	130`	5,900`	676`	1,000`	817`	950`
Users	20'000.00	NI	4'000.000	8'000.000	NI	NI	200'000.000	100'000.000
Drivers	NI	NI	NI	160 000	100 000	NI	NI	1'000.000
Countries presence	19	1	1	58	1	1	1	1
Cities presence	NI	NI	13	290	67	65	300	300

# Some companies

## UBBER



Uber, is an USA company, headquartered in San Francisco, California. As of May 28, 2015, the service was available in 58 countries and 300 cities worldwide

Since Uber's launch, several other companies have emulated its business model. Uber have the rideharing and also pooling app. The ridesharing app consists in a platform which connects passengers to drivers for hire car services, allowing consumers to request for a trip, an specific driver, car, etc. In the position of the driver, let to a normal person to serve like a taxi, and be himself his own boss. The mobile app sends an electronic hail for a car based on the person location. The service guarantee a ride and the transactions are automatically billed to the passenger on the credit car by Uber.

The end users are upper class, business class, urban middle class and the suppliers are individual middle class drivers and companies that provide transportation services, like limousine companies. Those companies and drivers are required by contract to have all the requisite licenses, registrations and insurances. The value proposition for end users is secure, trustworthy and guaranteed ride with shorter waiting, and for the drivers, busier and efficient days.

Uber, that is a USA company is leading the funding received, having in total 5.9 billions USD collected, being one of the youngest companies in the market, just founded in 2011. Nowadays Uber value is more than \$50 billion. (the Wall Street Journal reports), what would make it the highest-valued private startup of all time.

One of their biggest strategy for success is because they push the innovative idea, have relected big amounts of funds what let them to have an aggressive marketing campaign, which include free ride for customers, or bonus for drivers who achieve a certain amounts of rides. For example for new users they give \$30 USD free for the first ride. And for drivers, to attack their competitors, they offer \$500 USD for when you achieve your 20<sup>th</sup> trip and if you were on another ridesharing platform before. All this strategies make of Uber very popular between consumers and drivers.

Uber also faces an ever-growing cast of adversaries that includes dubious regulators, litigious drivers, hostile members of the press, and some well-funded rivals. But the most significant threat to the app-based transportation company may be much closer to home, from one of its biggest investors, Google. Google Ventures, the search giant's venture capital arm, invested \$258 million in Uber in August 2013, and it was Google Ventures' largest investment deal ever, and the company put more money into Uber's next funding round less than a year later. Now there are signs that the companies are more likely to be ferocious competitors than allies. Google is preparing to offer its own ride-hailing service, most likely in conjunction with its long-in-development driverless car project.

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## BLABLA CAR



BlaBlaCar is the world's largest long-distance ridesharing community. Conceived in December 2003 by Frédéric Mazzella, and founded in 2006, BlaBlaCar connects drivers and passengers willing to travel together between cities and share the cost of the journey. BlaBlaCar has more than 20 million members across 19 countries across Europe, Russia, Turkey, Mexico and India.

The site and free mobile apps provide a range of features to create a secure, trust-based community and easy connections between drivers and passengers.

BlaBlaCar is based in Paris with offices in London, Madrid, Milan, Hamburg, Budapest, Warsaw, Moscow, Istanbul, Munich, Mexico City and New Delhi. Just in July 2014, in their third founding round, received 100 millions USD from different investors, which has allowed to make some acquisitions of locals companies to enter into new markets or even buying their competitors, like was just recently in April 2015, with carpooling.com, their biggest competitor, a ride sharing network in Europe, funded in Germany. Aventoners.com from Mexico, Postoinauto.it from Italy and Podorozhni.com, Smart ride-sharing networks with presence in Russia and Ukraine are among recent purchases of Blabacar.

Lyft is a privately held, San Francisco-based American transportation network company. The company's mobile-phone application facilitates peer-to-peer ridesharing by connecting passengers who need a ride to drivers who have a car. Lyft's tagline is "your friend with a car". Lyft operates in about 65 U.S. cities, including San Francisco, Los Angeles, and New York City, with plans to expand domestically and internationally.

The case of Lyft is very particular, due its founder John Zimmer originally founded Zimride, a ridesharing company focused on ridesharing for longer trips, often between cities, and linked drivers and passengers through the Facebook Connect application. Zimride eventually became the largest rideshare program in the United States, but later due to emergence of Uber in the market, he decided to sell Zimride, and launch Lyft to focus on other business model to compete with Uber and Sidecar.

**LYFT**



Sidecar is a transportation network company that connects people for real-time ridesharing. They offer the service of ridesharing and also carpooling. Its headquarters are in San Francisco, California, but serves many cities. People can choose a ride based on vehicle, price and estimated time of arrival using their smartphone. ([http://en.wikipedia.org/wiki/Sidecar\\_%28company%29](http://en.wikipedia.org/wiki/Sidecar_%28company%29))

It is one of the visionary companies, due to his co-founder Sunil Paul, was issued a patent, now held by Sidecar, for using smartphones to coordinate transportation.

Sidecar, to try to attract more users, has launched one of its promotions, that consist in if you refer to a new user, you can get free Sidecar Credit.

**SIDECAR**



Founded in December 2010, Ola is India's most popular mobile application for booking your cab. They are changing the way people travel in the cities, bringing together cab drivers and customers technology to make transportation more efficient and cheap.

Ola cabs have received funds in the amount of 676.8 USD millions.

**OLACABS**



## DIDI DACHE AND KUAIDI DACHE



Didi Dache, a taxi-hailing smartphone app, shows the real-time locations of taxis so that users can hire cabs via their mobile devices. The application shows the real-time locations of taxis on a map using the GPS technology and enables users to find a taxi through their smartphones. The users' request will be sent to proximate cab drivers who will decide whether to accept the order or not. Didi-Dache was launched in September, 2012 and has been downloaded more than five million times.

Kuaidi Group, as the most technologically integrated and largest car service company in the world, is rapidly transforming the concept of moving people – starting in China. The app was launched in August 2012, combines integrated mapping and third party payment technology to make its service accessible to everybody, and provides over 1 million taxis and a variety of standard and luxury cars for all lifestyles. To ensure the service fits smoothly into urban life, Kuaidi has developed a framework that is adaptable to other platforms in China, and works in partnership with China's government and regulators instead of against them. In a country where only 18% of per capita car ownership, Kuaidi is clearly meeting an important need. Kuaidi's unique business model has attracted 100m registered users in over 300 cities, fulfilling 6 million requests per day. To optimize its services and go beyond customer expectations Kuaidi has secured partnerships with Alipay, Ctrip, AutoNavi, Baidu Maps, Qunar, and Beijing's '96106' government official platform.

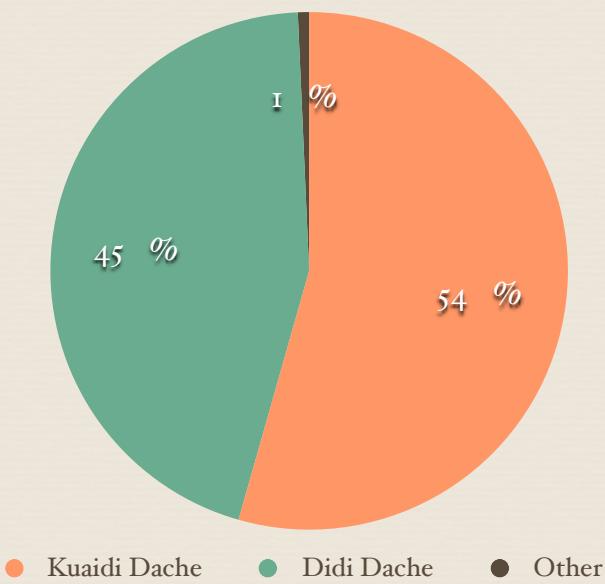
In February 2015, Didi Dache and Kuaidi Dache announced they merge to create one of the world's largest smartphone-based transport service companies, worth around \$6 billion. Now they have become Didi Kuaidi.

Kuaidi Dache and Didi Dache are believed to account for a whopping 99% percent of China's taxi app market. Together they have more than 200 millions users and more than 1 million drivers.

China's taxi and ridesharing app market is a battlefield, both politically and commercially. Even though they have largely in charge of the market, they are not sleeping and trying to take care of their closest competitors like Uber and Yidao Yongche, and do not leave them to gain market. A new program that allows its app users to use 15 RMB (US\$2.42) discounts twice a day if they use Didi Express. Each 15 RMB discount can cover about 10 kilometers, meaning that Didi Express customers can ride up to 20 kilometers per day for free using the service. The heavily-discounted rides are available in 12 major cities, including Beijing, Guangzhou, Shenzhen, Chengdu, Wuhan, Xi'an, and Nanjing, but not including Shanghai. Offering these kinds of discounts doesn't come cheap; Didi Kuaidi will reportedly have to cough up RMB 1 billion

Didi Kuaidi  
spends \$161M to give  
customers free rides as  
China's taxi app price  
war ramps up.

China Ridesharing Apps Market  
Share 2014



## DIDA PINCHE



Dida Pinche was founded in 2014. Beijing-based Changxing Information Technology, developer of mobile ridesharing app, has completed received 130 USD millions in founding. This will increase its market expansion efforts, upgrade its customer experience and expand its user base. It currently covers 13 cities and has more than 4 millions of users.

Also DIDA PINCHE investor told Reuters, they have met Uber Chief Executive Officer , Travis Kalanich, to discuss possible investment or tie-ups.

Also in China worth mention two new companies related to carpool and ridesharing apps, Tiantian Yongche and 51yongche, those who are new entrants to China's ridesharing market. They may have funding of some major players, but at present its reach is still quite limited. The service operates in specially in the most important cities.

## The future of the ridesharing market

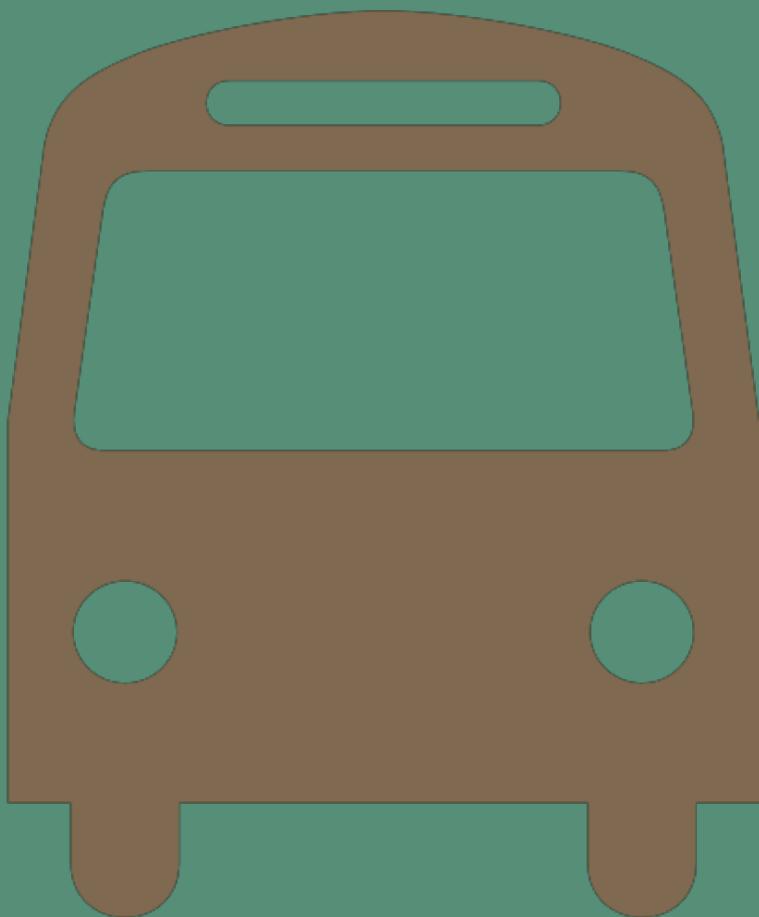
We have seen how some big companies had unprecedented growth in recent years. The number of users for both ridesharing and carpooling follows the same trend. When carpooling started were external factors such as energy crises accompanied with incentives and government policies . What we are seeing in recent years is a growing trend motivated by economic and personal desire. The interesting thing about this innovative idea is that not only involves individual benefits, but also collective. It represents an option to increase productivity by making more efficient use of the vehicles and resources, which is also attractive to governments. Currently there is no greater fusion between government and the market ridesharing and carpooling, but environmental, economic and social, factors indicate that increasingly is closer to the point where both work hand by hand, and when this point is achieved, will change the way we transport and our behave as a society.

At the same time also the development of technology as intelligent and even self-driving vehicles, will make the growth trend does not have a decrease as happened in previous years.

# Part II

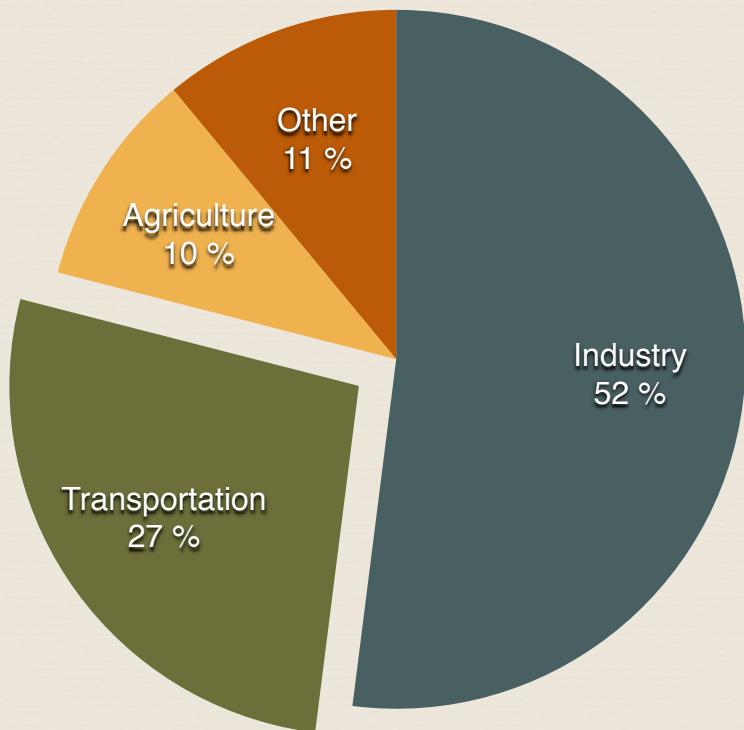


# Transportation Analysis



# Environment Impacts

Contributions to atmosphere pollution



Several specialists studied the problems related to the transportation system. This industry seems to be an important factor in the CO<sub>2</sub> emissions. Even if the number decreased during the lasts years, the percentage of 27% remains too high.

The part of atmosphere pollution due to the transportation is very high in the big cities. For these areas, we consider that the transportation by road is the first responsible of emission of NOx and PM<sub>10</sub> particles. The process of emission of those particles is:

- The VOC (Volatile organic compounds): those particles are emitted directly from the exhaust of cars.
- NOx: some of those particles are emitted by the engine and some others are produced by chemical reactions in the atmosphere due to the NOx emitted.
- PM<sub>10</sub> and PM<sub>2.5</sub> are emitted or created by the VOCs. Their volatility is due to the traffic.

Second sector responsible of CO<sub>2</sub> Emissions.

High potential to fight against air pollution

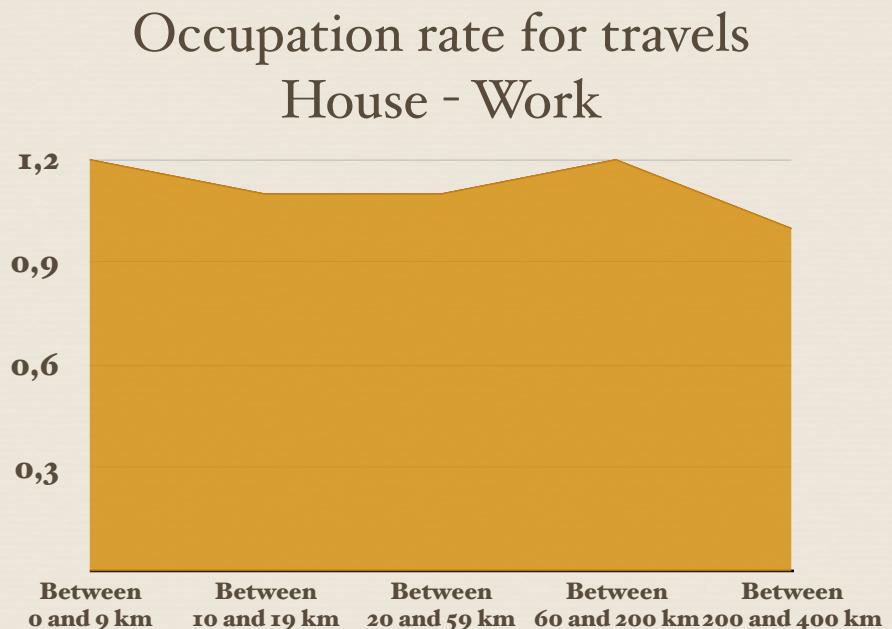
In this part we are going to calculate the ecological impact of using carpooling. We are limiting our study of ecological impact to the CO<sub>2</sub> emission during the travels. Our statistics are collected from the last ENTD (a French study which is made each 10 years to know how French people are traveling). The study was made with a sample of 20200 representative households of the national (France) tendency.

### Variation of Carpooling use with the distance



Those figures are showing that the most important use of carpooling is related to travels between 20 and 30 km.

We learn from ENTD's figures that, the mean distance between house and work place is 14,7km.



This simulation is made for:

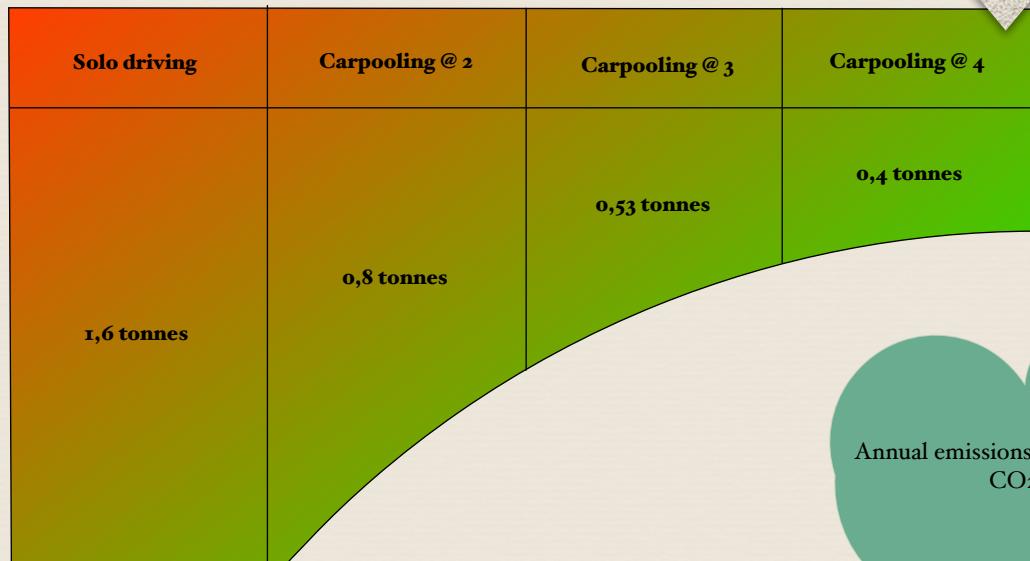
- round trip
- 5 working days/week
- 52 working week in a year

From these diagrams, we learned that the mean distance of people is around 14.7km. This figure is going to allow us to calculate the rejected quantity of CO<sub>2</sub> and the potential of reduction.

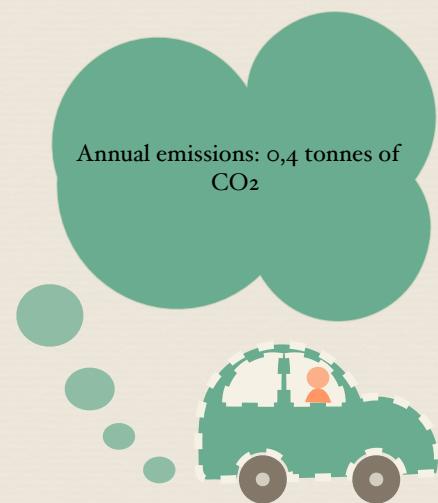
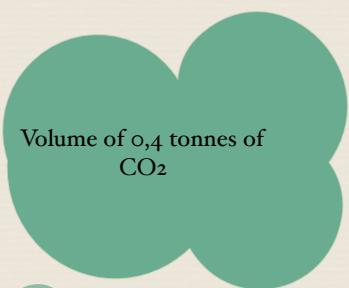
**By increasing the occupation rate of the cars from 1.2 to 2 person per car, we will reduce the CO<sub>2</sub> emissions by 0.71 tons per year per car. Considering that there are 31.6 million cars in France, we can reduce the CO<sub>2</sub> emissions by 22.4 million tons. This represents -12% of the total transportation emissions in France.**

## For a compact car: 7,5L/100km

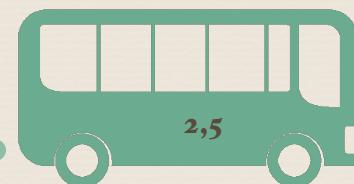
CO2 emissions  
1,54 kg/day  
0,4 to/year



Annual emissions: 0,4 tonnes of CO<sub>2</sub>



could be contained within



necessary to offset the GHG

# Transportation Cost

The high cost of transportation is the first motivation for people to carpool. As we saw in the different figures in the previous parts, the environmental impacts are making people to think about the alternative transportation solution. But the figures also showed that the price of oil is directly related to the number of carpoolers. In this part, we are going to estimate the possible money saving for a user.

According to the data that we collected from SOeS “comptes des transports” July 2014, in France, the mean consumption is 6.2l/100km for a diesel car and 7.5l/100km for the others.

Then, this same source and the national study about mobility provide the following data:

Car type	Car type	Gasoline
Mean fuel consumption	6.2 L/100km	7.5 L/100km
Mean kilometers travelled	15477 km/year	8225 km/year
Proportion of each car in France	62 %	38 %
Mean fuel price in France	1.389€/L	1.602€/L
Occupation rate of a car		1.2 person per car

So we can estimate the annual fuel cost per car in France. This cost includes only the fuel cost.

**Cost = 1 202 € per year per car**

$$(6.2/100 L \times 15477 \text{ km} \times 1.389 \text{ €} \times 62\% + 7.5/100 L \times 8225 \text{ km} \times 1.602 \text{ €} \times 38\%)$$

Knowing the occupation rate of a car, we can estimate this cost to:

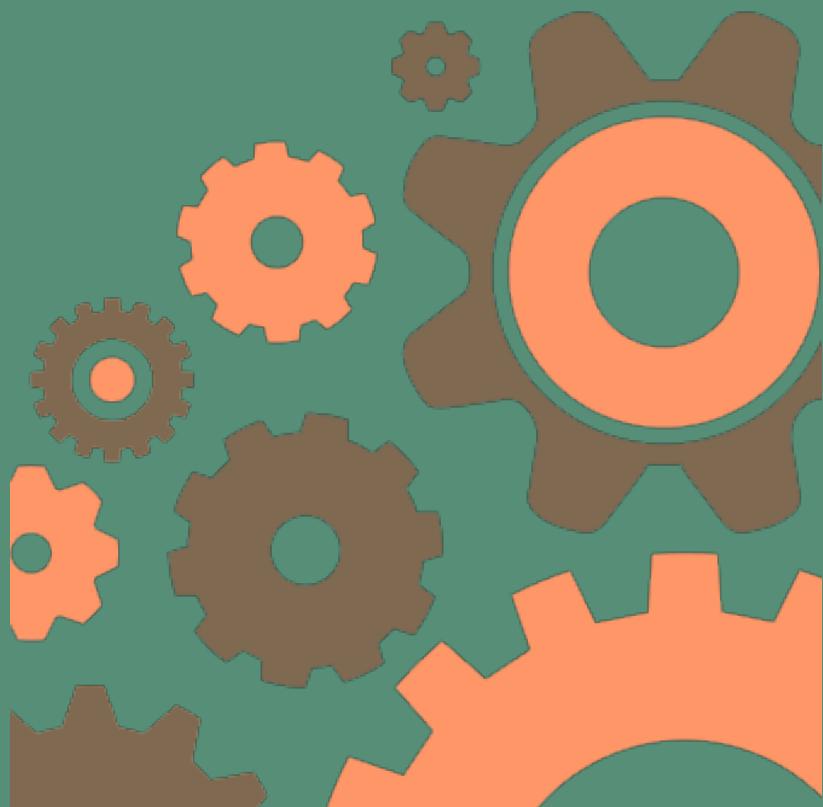
**Cost = 1 002 € per person per year**

$$(1 202 \text{ € per year per car} / 1,2 \text{ person per car})$$

If the rate can be increased to a mean of 2 person per car, the annual cost will be reduced to 601€ per person per year which represents a reduction of 400€ per year only in the fuel costs.

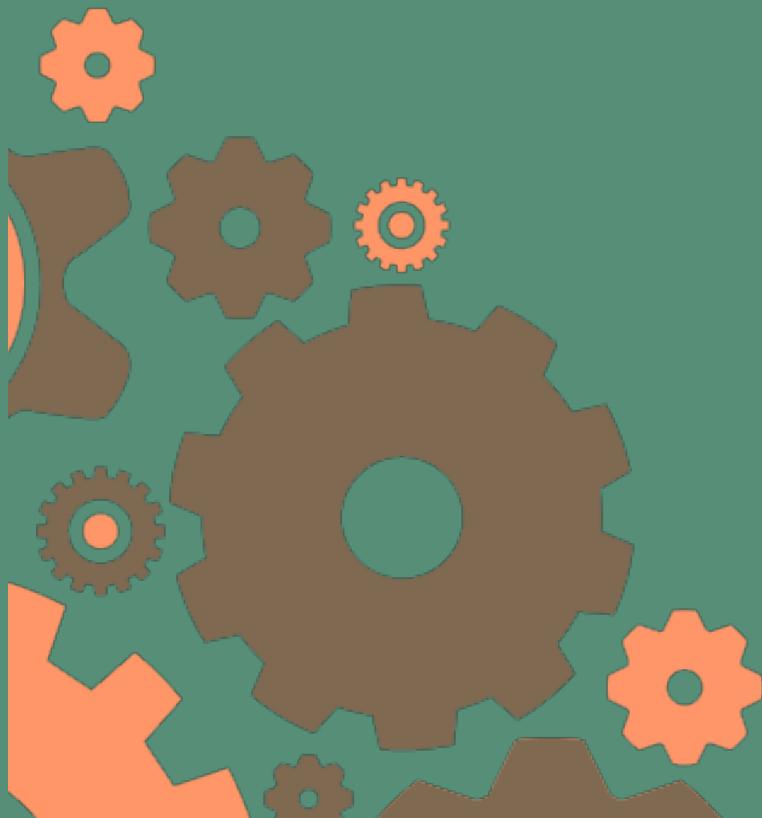
In France, people can potentially save 400€/year by increasing the carpooling rate from 1.2 person per car to 2 person per car. This amount represents more than 30% of the average monthly salary.

# Part III



# Technologies

## Analysis



## **Static carpooling**

Most of carpooling systems could be described as static carpooling systems. The implementation of the concept is usually made through a simple website which can only save and display the available offers. The only advantage of this solution is the simplicity of implementation. A registration is required from potential users to have access to the full functionalities of the website. But unfortunately, the provided functionalities consists only in adding or consulting the offers with different options like the type of the car that don't change anything to the transportation problematics. For those websites, a data base is necessary to save the uploaded offers and answer the consultation requests. The only technological aspect that is important to deal with is the storage capacity which is absolutely not a problem nowadays. Indeed the management of those databases is very simple.

The websites like Blablacar is included in this category. The consultation of the offers is public but all other functionalities are accessible after a registration. After accessing the result of research on the database, the user can exchange some messages with the driver for the details. All the communications are made publicly and on the website. The carpoolers can have access the personal contact of each other only after buying and finalizing the transaction. Other website, with nonprofit objective, can give access to the personal contacts directly on the offer to reduce the number of operations made on the website.

The success of those systems doesn't guarantee a stability for those companies. Indeed, regarding the development of new technologies and the evolution of people's habits, the existing websites are becoming obsolete and a modification of the technologies seems to be a must.

## **Technologies to boost the market**

### **Dynamic and flexible system**

This is a new concept in the area of carpooling and transportation in general. It consists on managing a continuous access to the carpooling available offers. A real time access is provided through a continuous updating of the offers and the demands. The development simultaneous development of this new "Smart" concept and the new technologies is not a coincidence.

Indeed with the popularization of smartphones, tablets, connected devices (particularly for the cars), free access to the Wifi, GPS, 3G, 4G... the "in real time" became totally possible and accessible for all people.

This evolution is directly relevant to the carpooling industry in the way that it is going to transform and change this industry by giving more solutions to solve the problem of flexibility.

But even if the access to these technologies is a big opportunity for all the companies in the transportation industry, the all potential of this situation is not exploited. The major part of the startup projects have been failed due to security problems, automation of the procedure and optimization in the process of offers association. But all the concepts developed are based on one unique technology which is the recuperation of GPS position in real time and sharing it with all the users.

## A distributed system for more flexibility

Solving the problem of flexibility of carpooling is a major challenge for all the companies in this industry. Regarding the dynamic aspect of carpooling environment, a good carpooling system has to be adapted to this evolving environment. Indeed the variation speed of the inputs are a major obstacle for the development of reliable system. The collection of data is made through a large area and large number of users. The prediction of evolution of those data (like the position of cars, the time that people need to carpool...) through statistical methods become impossible. The only solution is making a dynamic model of the network with decentralized decision making. It means that the decision of association a user to a car must be done autonomously.

This aspect could be implemented by decentralized systems like Multi-Agent Systems (MAS) or Blockchain. The objective of these Agents is to successfully associate the different users through an optimization process subjected to several, complex and variable constraints. The choice of using MAS is directly related to the variation, the increase and the distribution of information sources. Indeed, in the classic systems, when the size of the network increases the complexity of the medialization became high and the limits of the systems are revealed. But with the MAS, the size of network increases the relevance of the solution. Indeed, managing a high number of data sources is not a constraint anymore. Then, the system become interesting because it offers more possible solutions.

Furthermore, the robustness of the proposed solution is depending on the quality of the optimization process. The complexity of this optimization problem is exponential. For this, the distribution process consists on executing simultaneously and in parallel several tasks with lower complexity.

# Technologies to boost the market

The optimization is a key point for our analysis. Since the development of IT, people started studying optimization applied to different areas. We can easily use the large number of studies about optimization in transportation and specifically in transportation by taxi as a start point for our carpooling problem. Indeed, we can easily identify similarities between a taxi network and a carpool network especially for travels home – work.

In the carpooling industry, some optimization algorithms have been developed but not in order to make the system more flexible. Those algorithms focus more about associate rides after collecting static data. Indeed, two limitations can be listed.

- The first one is the limitation of geographic area. Indeed, if we look to carpooling websites that use optimization concept, we can notice that the geographic area is limited to one company, one university or one small organization.
- The second one is the problem of flexibility. The results that have been applied don't take in consideration the dynamic aspect of problem. After making the combinations and association of drivers and passengers, the system will not be able to adapt to other situation like an introduction on a new user (driver or passenger), modification of location of one of them....

If we assume that the taxi optimization problem is a good starting point, we have to emphasize an important point which is specific to the carpooling system. Indeed, for the taxi problem, we need to associate clients to drivers. For this we consider the current positions of the taxi, the initial and the final positions of the clients. In the carpooling system, the driver and the client have two different objective. It means that the driver has his own itinerary and we should consider whether a deviation from the initial itinerary is acceptable or not. It means in the carpooling system, we should introduce a concept of tolerance that is going to quantify to what extent the deviation is importance. users and the arcs are the itinerary that can be token. These two kind information are automatically updated using GPS localization module. For this part of technology, there is nothing innovative and a lot of applications like Uber are already using this.

The second graph is built by collecting the information, the constraints and the preferences of users. It is built with the initial position, the final position, the number of people and the total duration of the trip. This last variable is calculated using an adapted function and including other parameters like the late time admitted, the tolerance about distance and all constraints that are considered as relevant.

With a similar way, we can build the last graph about the offers. We will build it using the initial position of cars, the destination of cars, the number of available sits, the duration of the trip and also one more parameter which consist in a vector of intermediate destinations. Indeed, to simplify the resolution of the problem, it is better to create a vector that groups all the information about the points that are possible to serve. Doing this, we can easily check if a user's destination can be served by comparing this final destination of the user to the intermediate points of cars.

When this basic concept if developed, we need to develop a strategy of treating the data. For this we are going to use 5 major steps.

**1**

**Acquisition of information**

**2**

**Acquisition of the offers**

**3**

**Building the graphs**

**4**

**Decomposition of the process**

**5**

**Optimization**

## **Step I:**

### **Acquisition of the demands**

For this step we need to receive all the demands for carpooling and treat them in parallel. For this, the time is one of most important parameters. Each interval of time  $t$ , we refresh the entering data and build the new matrix containing the information for the graph of demands.

In this part we need to use 3 major technologies. The first one is the internal clock of the system with a precision of a few seconds or less. Then we need to use GPS inside user's device. If the device doesn't contain any GPS technology, other solutions are possible like using Wi-Fi signal or 3G/4G localization system. Then the last one is the communication protocol. Indeed, to send all these data from a device to another, we need build first a communication protocol which is going to guarantee in one hand, the transmission without any loss of information and in the other hand, the security of users by the cryptography algorithms.

## **Step II:**

### **Acquisition of the offers**

During this step, we are going to perform the same tasks than last part. Also in this part we need to update the data in "continuous" flow. For this we are going to setup a time  $t$  before each new acquisition. The technology that we are going to use is the same. But, as we are talking about cars moving, we need to use better quality technology to have accurate data processing. Indeed, if for the users, a simple GPS in the smartphone is adapted, for the car we need to use the integrated GPS with more precision and high frequency of updates.

## **Step III:**

### **Building the graphs**

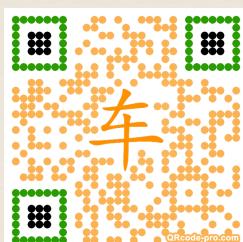
This step is totally virtual and doesn't use any real hardware technology. But even if only algorithms are involved for this step, it is a critical step. Indeed, for the 2 previous steps we defines the way to collect and to store data in Matrix. Then using theories coming from "Graph theory", we are able to build a Graph. Here graph refers to mathematical concept of graphs.

## Acquisition of the offers

: Step iv

This step is also a virtual one. It consists on grouping the users and the cars in small geographic areas. In order to simplify the calculations and then reduce the complexity, different studies agreed to group the data within circular areas.

The method that is used is called “hierarchical clustering”



Hierarchical clustering - Wikipedia

## Optimization

: Step v

Considering the definition of the problem, the multiple objective optimization seems to be a must. Indeed, more and more problems can't be solved by optimizing one function. Our problem is one of them. The distributed modeling that we choose imposed to use this kind of optimization.

Many possible algorithms and methods can be used to solve this kind of problems. In the literature, and for the multiple objective optimization problems, we can find the following algorithms.

Simulated Annealing using Metropolis algorithm which is based on the research on an equilibria inside the system, Tabu Search for the problems where we need to record the different tries, Evolutionary algorithms and Ant colony which are the most flexible, robust, and decentralized algorithms that we have developed. The only obstacle is the evolution of the research in this area. Indeed, even if the concept is developed, the application on real cases are difficult. Maybe this algorithm will be the future of this industry, but for the moment, the specialists agree to say that the most adapted algorithm for carpooling is the “Dijkstra's algorithm”

Dijkstra's algorithm - Wikipedia



# Security for carpooling users

The security is one of the most important part in the carpooling system. The users will be encouraged to use carpooling only if the security is guaranteed. The drivers also pay attention to the solutions that are developed to protect themselves. The objective of this part is to show these possible solutions.

Even if the management of the transportation offers is a big issue for all the companies in this industry, from the point of view of users, the security and the traceability is the most important aspect and obstacle for the development of dynamic carpooling. The development of systems as “eNotions” in Germany, “EasyRider” for Amsterdam and “T.écovoiturage” in France haven’t solved those problems.

When you use a distributed network, you can also use it to share the information. It is easy to share the GPS data in the distributed system. It could be a problem to use smartphones as for the distributed network. Due to the design of smartphones and tablets, some technical problems could be faced. Solving those problems will be easier if the market is already using the technology. For this, some studies proposed to start building the distributed network using computers. Then the users will setup their account with the computer and then synchronize the data with the tablet or smartphone. Of course this solution is less secure than using directly smartphones for the network. But it is a good start point to encourage people to improve this situation.

lops the idea of autonomy that is needed and also the vision of “operations as close as possible to the users”.  
But the crypto-graphic challenges are not the only issues that worry people. Indeed, the major obstacle for them in using carpooling is the security of their life. Usually a user is worried if the driver that is going to drive him is an honest person and if the driver drives safely. The two things could be easily solved by the distributed network. Using Blockchain, the users can evaluate the drivers and comment about the quality of the service. Then a ranking system can easily put grades and the user can know their driver before accepting or refusing him. Then the users will be more confident when they use carpooling. So the market will be boosted by this security solution.

Having a distributed network for data is coherent with the distributed architecture that we introduced in the previous part. Indeed, it deve-

But we should also think about the drivers. They need to have guaranties that make them confident about the users that they drive. If it is easy to filter the drivers and push the bad ones out of the system, filtering the users is hard due to the size of the network. For this we propose to rank the users with the same kind of algorithms. Then drivers can decide if they want to go and pick the user or not. Because it happens a lot that the driver will drive and look for the user but this last one had already moved and fined another transportation way.

Then the last issue that we need to secure is the transaction. In this case bitcoin and blockchain are the first solution that we need to use. Using digital transaction will solve all the problems. Then drivers will be automatically paid when the user will be at

his destination place. Then the driver will be paid if he accomplish his task and the user will arrive at the right place.

A total decentralized solution is also possible and proposed by “LaZooz”. This system is totally automated and decentralized and it use its own coins. It is the most recent technology that we can present about this subject. It is going to start around the 6<sup>th</sup> of June 2015.

# Part IV



# Law

&



# Public Policy



**Carpooling becomes more and more famous and used with time. Several countries already have authorized and adopted the concept itself but not without any rules to follow. Some governments put in place very strict laws for drivers and users used to do carpooling.**



**This part deals with some examples of countries  
that decided to supervise the practice of carpoo-  
ling and also with some governments actions  
aimed at encouraging it.**

## Countries examples



First, **BlaBlaCar**, French leader of long-distance **carpooling**, is often mentioned as one of the finest achievements of French web. Moreover, it is very often cited Carpooling as an opportunity for social and ecological progress.

**BlaBlaCar** has exceeded **10 million** of users in 2014, with users all around Europe, plus India, plus Russia...and the expansion is not over !

Moreover, following the launch in February of a new service, **Uberpop**, presented as the « urban carpooling », the company of VTC Uber has been convicted of misleading business practice.

The Interior Ministry has repeated on December :

*« Uberpop is illegal and will be prohibited from January, 1st 2015, pursuant to Trevenoud law. »*, law related to taxis and transport vehicles with drivers.

The release of the **DGCCRF** (Directorate General for Competition, Customer Affairs and Fraud) in February 2014, in response to the launch of Uberpop service, is clear: the legality of **Carpooling** has been upheld by the Court of Cassation in a judgment of March 2013, however, it is provided **not practiced for profit**. Under the carpool passengers' financial participation is limited to the **cost sharing**. However, **passenger transport**, under cover of carpooling, realized **profit** is **illegal**. Indeed, it constitutes an unauthorized public transport activity.

*« The Directorate General for Competition, Consumer Affairs and Fraud Control (DGCCRF) points out that carpooling is permissible under the condition that it is free or that the money paid by people transported corresponds to a cost sharing generated by the use of the vehicle. »*



According to press reports, many **Uberpop** drivers were **arrested** and face up of **3 years in prison** and **45,000 € fine**.

For **15,000 km/year**, the cost is  
**0,35 €/km**

## How to define a « **for-profit-activity** » ?

## How to define « **cost sharing** » ?

The authorities have a tool for this:  
the **scales of cost per kilometer** set each year by  
the Financial Directorate.

These scales formalize the cost of travel of a vehicle in particular employee.

For an average distance of 15,000 km per year, this cost is estimated by the administration at about 0,35 € per kilometer.

There was therefore « shared costs » if the passenger pays the driver **less than 0,35 €** per kilometer, and one can speak of « **profit activity** » otherwise.

When driver makes a journey between Paris and Nantes with **BlaBlaCar**, the passenger pays an average of 24 €, that to say **0,06 € per kilometer**, that is well below € 0,35. So there is no doubt that BlaBlaCar offers a **cost-sharing system**.

The passenger **Uberpop**, him, pays for his ride **1 € plus 0,95€ per kilometer plus 0,15 € per minute**, well above the limit of 0,35 € per km. Even applying the commission of 20% that Uber punctures on the gross remuneration received by the driver, the net remuneration received by the driver remains well **above 0,35 €** per km.



## By carpool, the driver is not a driver

The Ministry of the Environment, Transport and Sustainable Development defines **carpooling** as the joint use of a vehicle by a **non-professional driver** and one or passengers on a major route or **shared route** section.

To be clear, the logic of Carpooling is to optimize the occupancy rate if its vehicle during a journey that would have been undertaken even alone.

A **BlaBlaCar** driver does not do a Paris-Strasbourg route to accommodate a passenger wants to go to Alsace. The BlaBlaCar driver will go anyway to Strasbourg, and proposes its seats to passengers wishing to graft to his vehicle.

A Uberpop driver, posted to the Concorde is called by a passenger to get it to Bastille and take him to Paris Charles de Gaulle would not have made this trip « vacuum ». He had no reason to go to the airport if it is to receive remuneration from the passenger, in exchange for the service rendered. Just as a taxi or a VTC.

There is **carpooling** when the trip could, anyway, was carried by the driver « empty ».

There is no **carpool** when a driver as a taxi or VTC, realizes a trip specifically to serve the needs of a passenger.

## Countries examples





The Department of Transportation encourages **carpooling** in **Quebec**. This can have interesting effects on the reduction of congestion and emissions. **Carpooling** is popular and can take different forms.

The Law respecting transportation services by taxi (RLRQ , chapter S -6.01) establishes **rules** for **paid passenger transportation by automobile**.

Offer or provide paid transport of persons using an automobile, a **person must be authorized** by a **taxis owner's permit**.

In addition, a taxi driver 's license is required to drive an automobile attached to a taxi owner's permit.

The Law concerning **taxis** transportation services provides many **obligations**. Among other things, the obligations include:

- training on the transportation of persons with limitations throughout Quebec;
- basic training and place names by territory ;
- the criminal background check ;
- the maximum age of the vehicle and the semi- annual mechanical inspection ;
- vehicle equipped with a taximeter, by territory

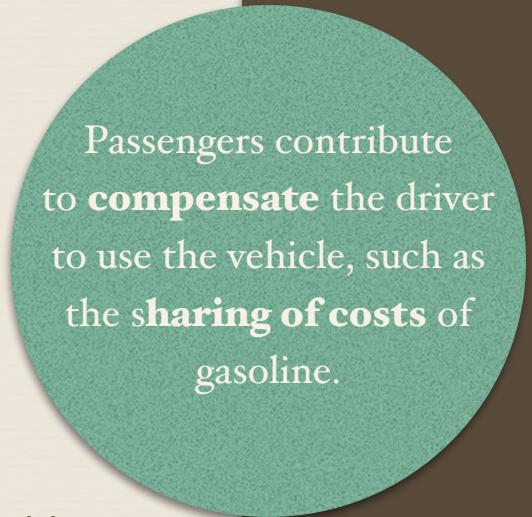


However, The Law provides **exceptions**. It does not apply in the following cases :

- school transportation ;
- the transport by a volunteer driver under the control of a humanitarian organization recognized by the Ministry of Health and Social Services ;
- the transport by a volunteer driver under the control of a body or a nonprofit corporation that transports persons intoxicated , since the intoxicated of automotive occupant is performed and the escort service is not provided for pecuniary gain ;
- the transport of persons on the occasion of baptisms , weddings or funerals , where the automobiles are subject to mechanical inspection prescribed;
- transportation by ambulance or hearse ;
- carpooling performed according to the standards of Article 36 of the Transport Act.

**Carpooling** does not require a license. However, it is important to note that paid transportation may be carried out under cover of carpooling or commercial carpooling.

First, the notion of shopping carpooling does not exist. In any consideration of a business in passenger transport by car, a taxi owner's permit is required and the tax rules must be respected.



Passengers contribute to **compensate** the driver to use the vehicle, such as the **sharing of costs** of gasoline.

The Department of Transportation **encourages citizens to carpool**. According to the Transportation Law, **carpooling** involves carriage performed on the **same route**, where only the **transportation costs** are **shared** and that no compensation is required.

Specifically, a driver with **carpool** also has to move and to personally go to the destination, even if it has no passengers. Passenger transport is incidental to the movement and not the primary purpose of it.

## Countries examples



**In China, the minister of Transport declared:**

**“Private cars will never operate as commercial cars.”**

In 2014, **Beijing** issued the carpooling regulation for small vehicles, a lawful endorsement which officially legalized carpooling in Beijing.

However there are **illegal taxicabs**, which are often called “**black car**”, in almost every city in China. These black cars do not have legitimate operating licenses from the transportation management department, but they provide transport services and make a profit in return.

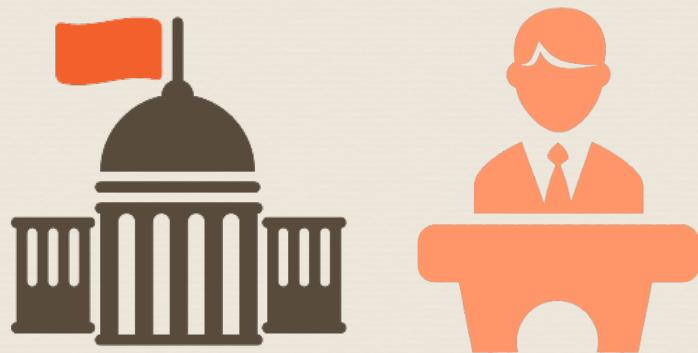
There are several types of black cars, such as motorcycles, tricycles, buses and even ambulances. Therefore, the aforementioned regulation the Beijing government announced raises questions. In order to clarify the doubts, a report from People's Daily provided answers.

**Carpooling** needs to be built on long term cooperation between the owner of the car and the passengers; in short, people involved in carpooling know each other. Since the goal of carpooling is to reduce carbon emissions and the number of vehicles on the roads, most carpooling will be performed during commuting time. The price of carpooling should not be expensive either.

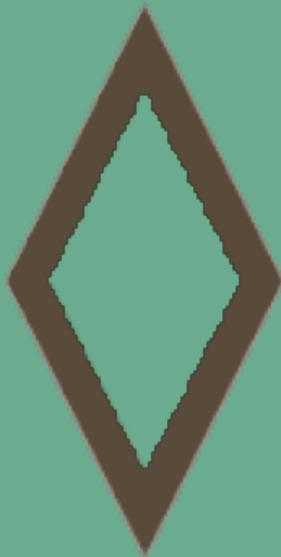
Normally, the cost of a private vehicle for carpooling is half the price of a taxi for the same distance. Passengers can therefore calculate the fee with reference to the taxi fee and divide it by the number of the passengers.

The goal of Beijing's legalization of carpooling is to ease traffic congestion and conserve energy. Since the new regulation may enable black cars to earn more unjust profits, the challenge ahead for Beijing, the first city legalizing carpooling from black cars.

# Governments' actions



**HOV  
LANE  
AHEAD**



A **high-occupancy vehicle lane** (also known as an **HOV** lane, carpool lane, diamond lane, and transit lane or T<sub>2</sub> or T<sub>3</sub> lanes in Australia and New Zealand) is a **restricted traffic lane** reserved at peak travel times or longer for the exclusive use of vehicles with a driver and one or more passengers, including **carpools**, vanpools, and transit buses. The normal minimum occupancy level is 2 or 3 occupants.

**HOV** lanes are normally created to increase average vehicle occupancy and persons traveling with the goal of **reducing** traffic congestion and **air pollution**.

High-occupancy toll lanes (HOT lanes) have been introduced in the United States to allow solo driver vehicles to use the lane on payment of a variable fee, which usually varies with demand.

Southern California has more than **700 miles** of **carpool lanes**, helping drivers and their passengers to **save time and money**, as well as **avoid traffic hassles**.

To avoid a \$341 fine, drivers need to be familiar with Southern California's carpool lane laws, which are below:

- Carpool lanes in Southern California require two or more people per vehicle.
- Only enter and exit a carpool lane at areas designated with signs and a broken double yellow or white line. It's against the law to cross the double yellow lines of a carpool lane.
- Children count as carpool partners.
- Motorcyclists can ride alone in carpool lanes.
- Zero-emission vehicles don't need to meet minimum passenger requirements; however, proper identification in the form of a sticker from the Department of Motor Vehicles is required.
- Passenger requirements are in effect for Southern California's carpool lanes 24 hours a day.

## High Occupancy Vehicle Lane

Using **carpool** lanes typically **saves a minute** per mile over driving alone

# Some advantages

Optimizing the speed of movement of vehicles in the HOV lanes and other adjacent channels

Shorter trips and more reliable for carpoolers

Reduction of energy consumption, vehicle emissions and delays caused by congestion due to fewer vehicles on the roads

Improved and increased sustainable options for personal transportation



# HOV Lanes in the world **EUROPE**



HOV Lanes  
in  
the  
world

## AUSTRALIA



# NORTH AMERICA



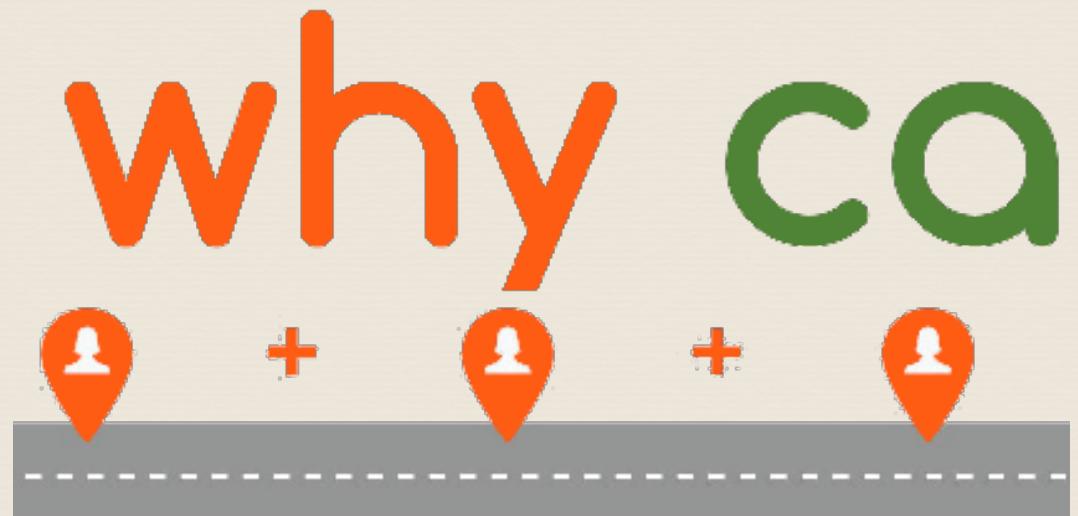
Washington D.C. has launched a pilot program to reduce road congestion and pollution: It is paying commuters \$2 a day to carpool. It's based on programs in Atlanta, Los Angeles and other cities. The assumption is that after a few months of being paid, people will evolve into full-time carpoolers without a cash incentive.

# Part v



# Social Awareness

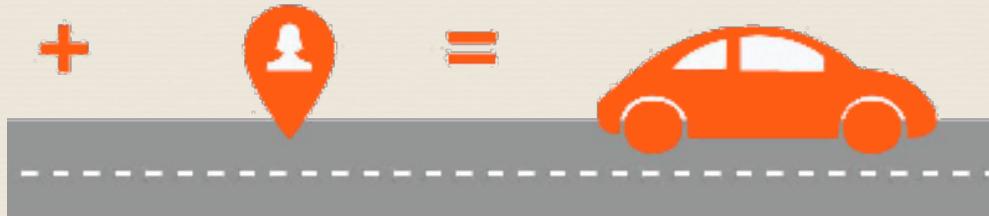




**Carpooling** becomes more and more fa-

**mous and used with time. Nowadays, lot of people do carpooling to different uses: go to work, go to school, go to holidays... and for different reasons.**

# carpool?



**This part deals with the different motivations  
that people can have to use carpool and also with  
ones why people do no use carpooling.**

# Carpool

## Why ?



Factor	Frequency Selected	% of Total (N=789)
<b>Sharing vehicle expenses</b>	<b>703</b>	<b>89</b>
<b>Access to HOV lanes</b>	<b>699</b>	<b>89</b>
<b>Enjoy travel with others</b>	<b>691</b>	<b>88</b>
<b>Travel time savings</b>	<b>690</b>	<b>87</b>
<b>Preferred parking at work</b>	<b>687</b>	<b>87</b>
<b>Help environment and society</b>	<b>684</b>	<b>87</b>
<b>Carpool partner matching program</b>	<b>680</b>	<b>86</b>
<b>Encouraged by program at work</b>	<b>677</b>	<b>86</b>
<b>Drop off kids at school/day care</b>	<b>674</b>	<b>85</b>
<b>Reliability of arrival time</b>	<b>666</b>	<b>84</b>
<b>Slitting tolls on toll roads</b>	<b>159</b>	<b>20</b>
<b>Other</b>	<b>109</b>	<b>14</b>
<b>Get work done while traveling</b>	<b>79</b>	<b>10</b>
<b>Relaxation while traveling</b>	<b>77</b>	<b>10</b>

This research questions why people choose their mode of transportation have been done on the basis of a survey of travelers in Dallas-Fort Worth and Houston in Texas.

In results, the 2 most factors cited are :

- **Sharing vehicle expenses**
- **Access to HOV lanes**



# Carpool

## Why Not ?

Main Reason	Frequency Selected	% of Total of SOV asked
<b>Location and schedule limitation</b>	<b>1682</b>	<b>55</b>
<b>Travel flexibility</b>	<b>1394</b>	<b>45</b>
<b>Need a vehicle during the day</b>	<b>1190</b>	<b>39</b>
<b>Need to make other stops during trip</b>	<b>862</b>	<b>28</b>
<b>Appreciate alone time</b>	<b>567</b>	<b>19</b>
<b>No program to encourage me</b>	<b>417</b>	<b>14</b>
<b>Other</b>	<b>248</b>	<b>8</b>
<b>Like to listen to radio that others do not</b>	<b>175</b>	<b>6</b>
<b>Potential partners have disagreeable traits</b>	<b>125</b>	<b>4</b>

The most important **reasons** cited were:

- **difficulty of finding someone with the same location and schedule (55%)**
- **flexibility of driving alone (45%)**
- **and needing a vehicle during the day (39%)**

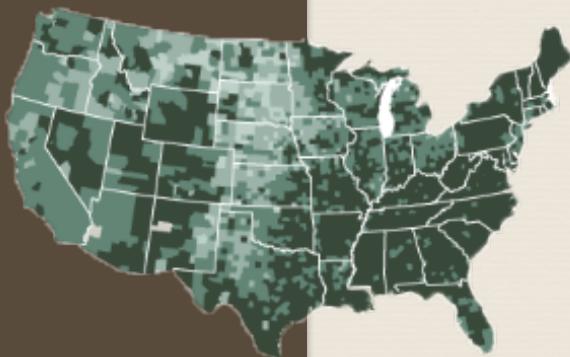
All SOV (Single Occupancy Vehicle) respondents, respectively, attributed primary importance to these in their decision making. The need for making chain trips was perhaps a little less important, but still notable, with 28% choosing it.

# Carpooling Declines as Driving Becomes Cheaper

## Percentage of workers who carpool to work

**1980**

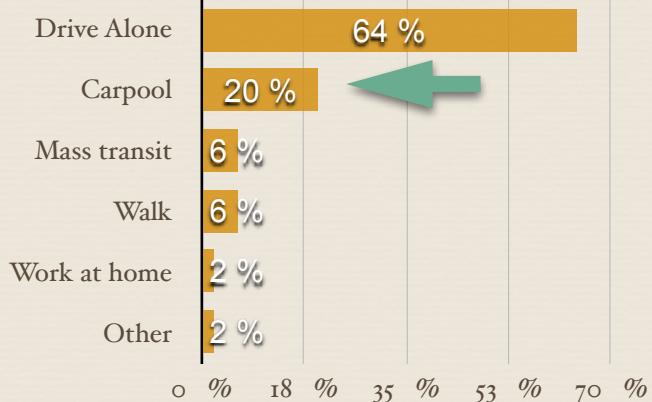
10 15



Average Fuel Cost For a 30-Mile Round-Trip Commute

**\$6,11**

How People Get To Work



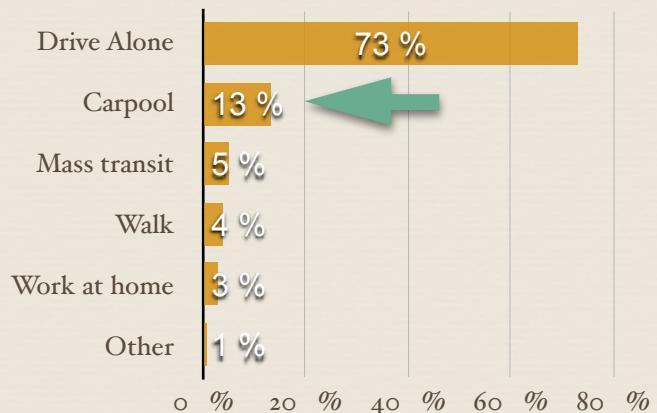
**1990**



Average Fuel Cost For a 30-Mile Round-Trip Commute

**\$2,82**

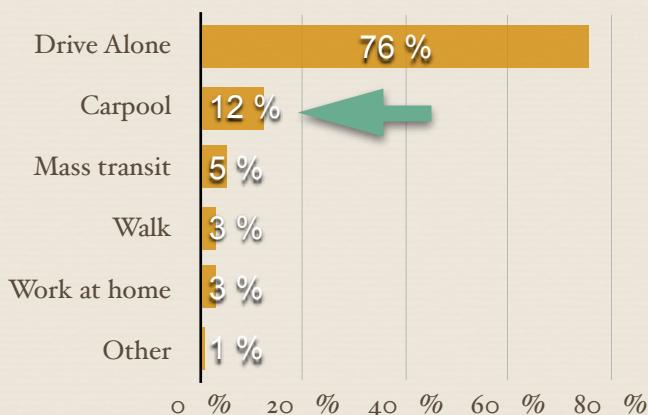
How People Get To Work



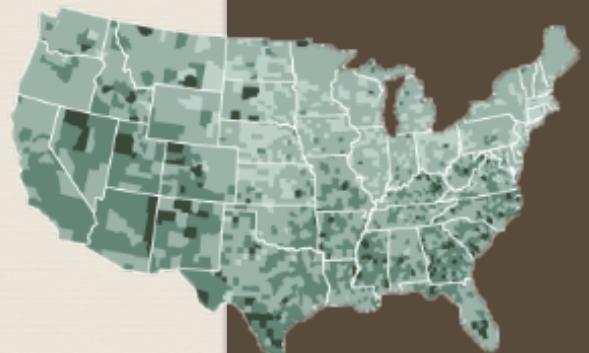
## Average Fuel Cost For a 30-Mile Round-Trip Commute

**\$2,58**

### How People Get To Work



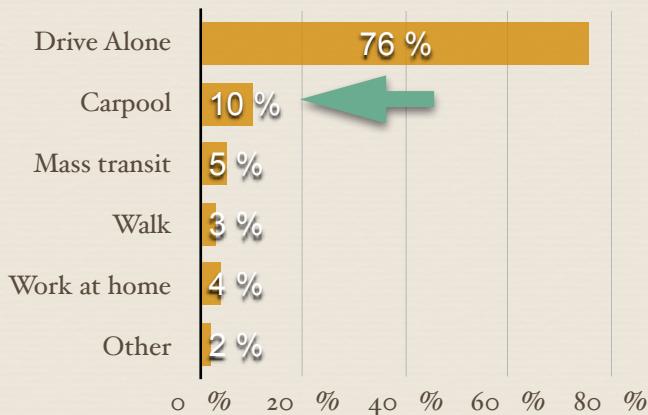
**2000**



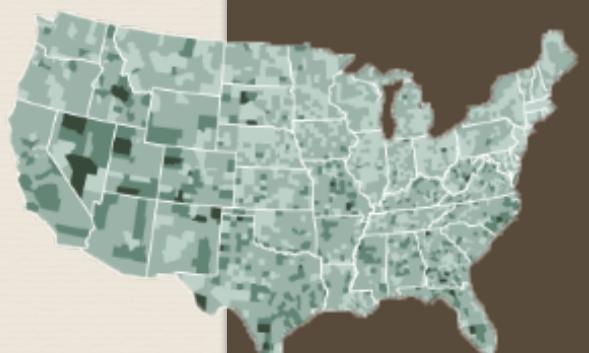
## Average Fuel Cost For a 30-Mile Round-Trip Commute

**\$3,12**

### How People Get To Work

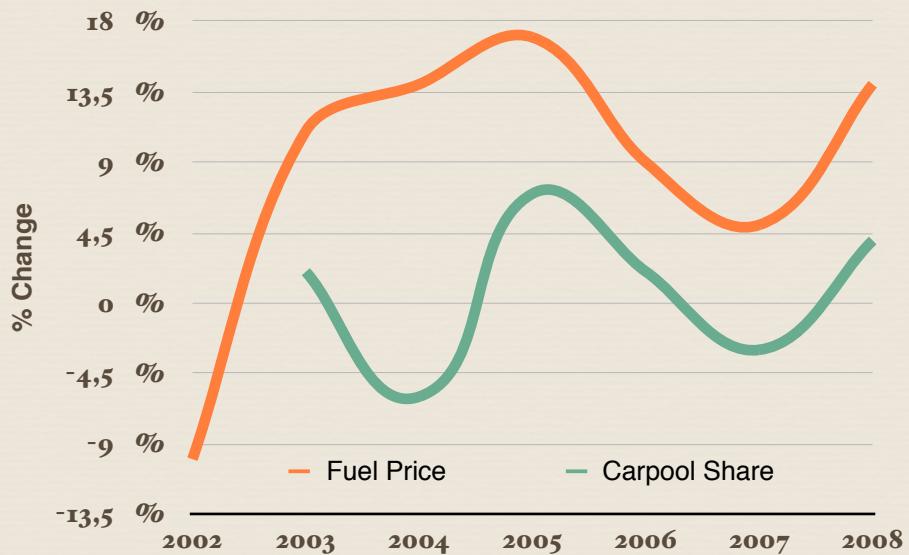


**2009**



The share of workers who carpool to work has dropped by half since 1980, largely because the cost of owning a car became more affordable and workplaces spread out into suburbs.

## **Year-over Year Change in Gasoline Prices and Carpool Mode Share (2002-2008)**



**From all these graphs, we can conclude that the percentage of carpooling increases regarding the increasing of the gasoline prices and decreases in the same way.**

**People definitely prefer to use carpooling when travelling with their own car becomes more expensive.**

**By using carpool, their expenses are divided by a considerable number thanks to the sharing principal of carpooling.**

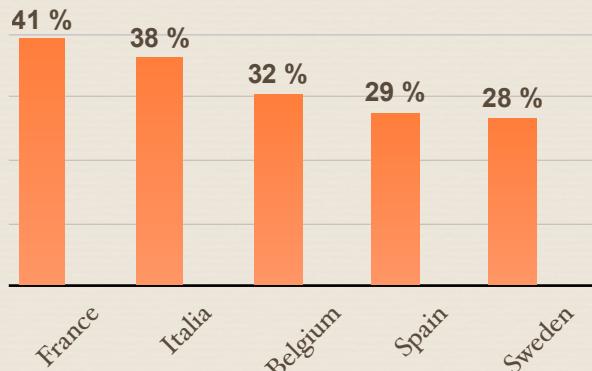
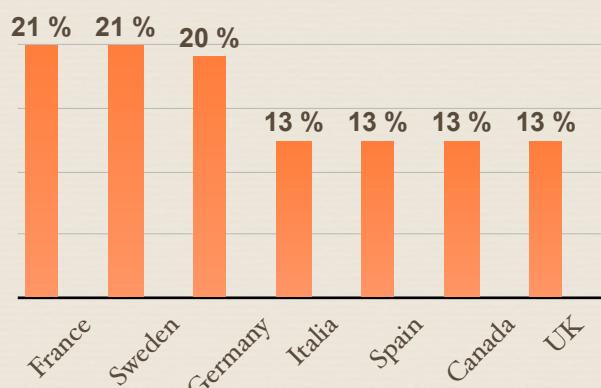
# Carpool

## Global Trend

Today, in the most advanced countries in terms of carpooling, one in five has already used by owners of sites linking to organize their trip.

Who are the champions carpool? To date, the Swedes (21%), the French (21%) and Germans (20%) emerge as the fastest growing populations of this trend. The countries of Southern Europe (Italy, Spain), those in North America (USA, Canada), or include Australia, meanwhile, from 13 to 15% of users. Compared to other Anglo-Saxon countries, the UK appears further back with only 7% of adepts or casual. Finally, Norway and Japan, the concept car sharing remains strong with marginal 3% and 1% reported practicing!

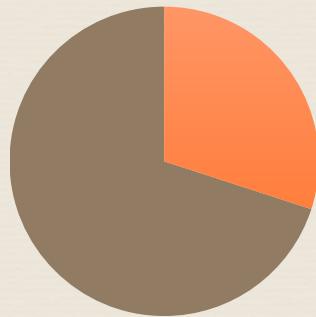
So almost everywhere, the use of carpool sites is a minority but significant phenomenon. Many signals suggest, moreover, that this means of transport has a future.



They already  
use carpooling

They plan to use  
carpooling

## New generations are in pointe



**30 %**  
of users are  
less than 35  
years old

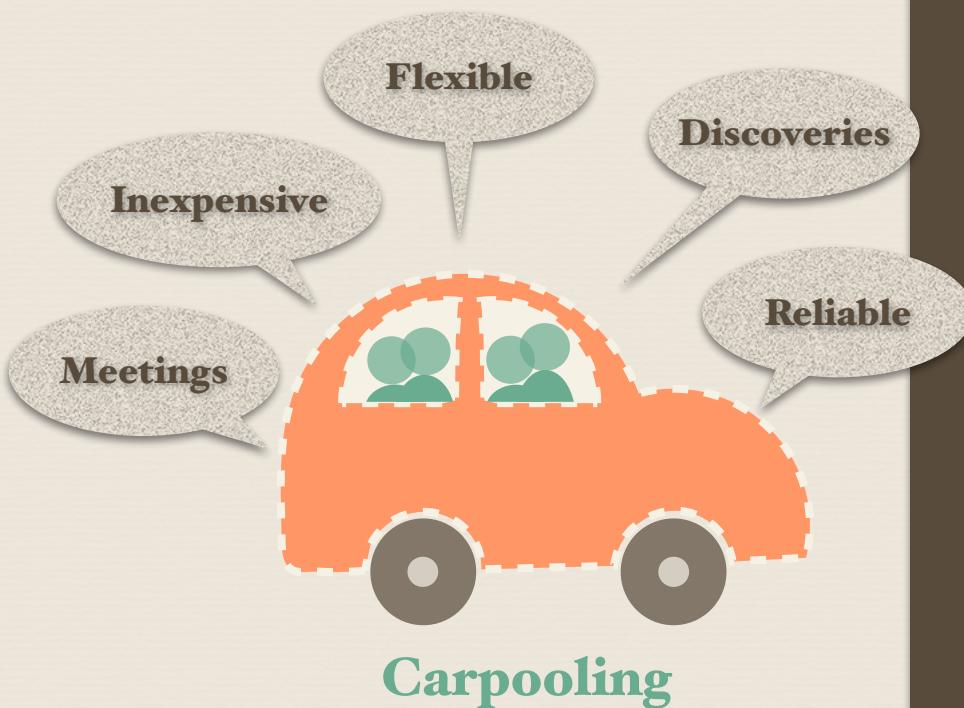
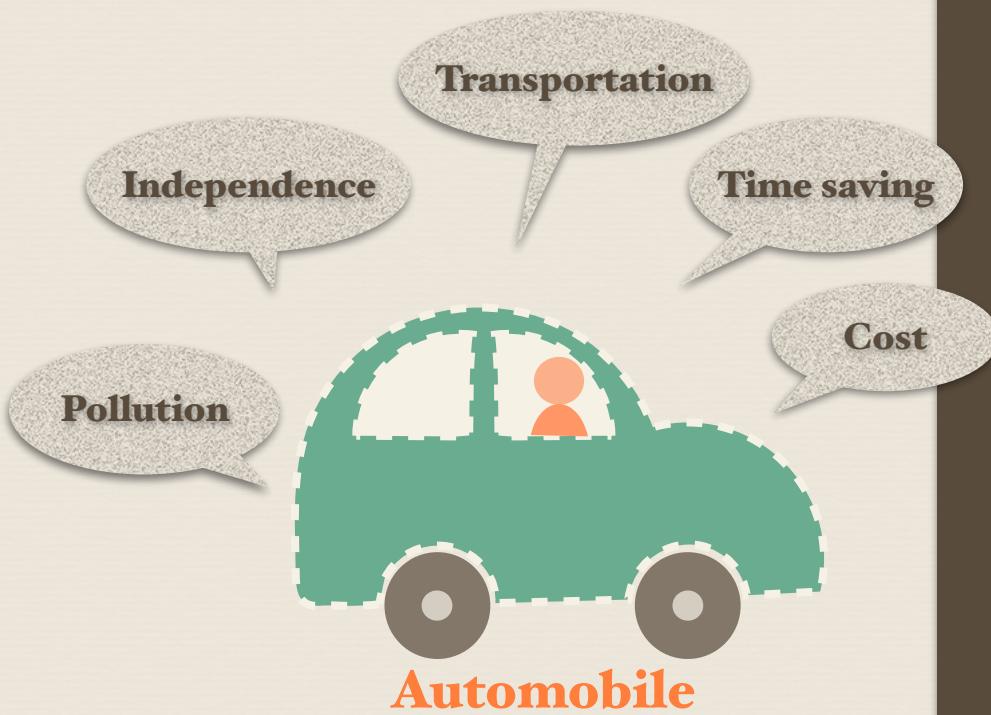
In France, Spain, Italy : all ages  
have the same interest for the  
carpooling

First, this new form of transit is particularly popular with new generations - it is a reality in all countries investigated. In the leading countries carpool, nearly 30% of under 35 use them. Significant development: it is far from the figure of the young hitchhiker waiting on the unknown side of the road who will agree to accompany him. Increasingly, co-trip is organized and secured by third-party sites you trust. We know in advance whom you are dealing with, where we come from and where we are going. For younger children, this mode of transport is reliable, inexpensive and provides flexibility. Moreover, it satisfies a taste for discovery and encounters, appetite reinforced culture of social networks. The experience of the car is younger, much more than that of their elders, coupled with a collective system where relational adventure occupies a privileged place. The Carpool user community weaves its web on the road ...

Second clue of the development potential of carpooling: the desire declared non-users to have recourse to one day. In all countries, the "reservoir" of practitioners is important. He even largely exceeds the number of current users. Indeed, 41% of French do not practice carpooling but plan to do so. This figure was 38% in Italy, 32% in Belgium, 29% in Spain and 28% in Sweden. In the Anglo-Saxon countries, Germany, and Norway, about a quarter of the population is willing to a co-. Trend common to all countries: the profile of the individuals wishing to embark is similar. They are active on social networks, have a high level of education and are younger than average. Note however that in France, Italy and Spain, all age groups show the same level of openness to these new practices.

# Carpool

## Most coming words



Carpooling and ridesharing are innovative share economies. The development of these new mobility solutions will change our habits and our social behavior.

The highest peak for these transportation solutions was reached during 70s, especially in North America, due to different external factors. In this area and during this time, more than 22% of people went to work using ride matching platforms. But during the next decade the number of users decreased to 10%. Nowadays by the hand of the technology and innovative, business ideas are doing a strong and fast resurging.

Currently the largest companies in the carpooling industry are Uber, Lyft, Blablacar, Kuaidi. Many other new companies also start their businesses and can be successful due to access to open-source hardware and software and also with the use of new technologies like blockchain. Every month, thousands of people join these share networks, with the purpose of share expenses, earn money, enjoy a more personalized transport service, have real interaction with people and for many others reasons.

The competition between those companies is ferocious. Most of them have been in the last 3 years collecting huge amount of funds from venture companies, with the purpose to implement their marketing strategies and spread their offers through local or global markets. The most strategic markets are concentrated in North America, Europe and Asia. Fueled by the increase of financial investments especially in USA and China and the progress of environmental policies, the market is growing faster and faster.

At the same time the non-controlled increase number of vehicles that are sold every year, the traffic jam in big cities becoming every year worst, and the quality of the air due to the Carbone dioxide emanated by the vehicles, create the conditions to link the market, people and

## CONCL

government work together in the same direction. Many people see the ridesharing and carpooling like the solution to the environmental problems. Others think that the most important is the idea of share economy because this business can increase the productivity and efficiency of the cars from the economic point of view.

At the same time users are expecting more from this industry because of the innovative technologies that are continuously developed. They are demanding a wide network of users that let them to have real time matching, with efficiently and personalized features. Thus, the development of new technologies and new concepts is the most important challenge for such companies. But the companies like Uber, have already anticipated this situation and they are currently using the most advanced and updated technologies. These technologies are not only solutions to boost

the market with dynamic, flexible and optimal systems.

They are also solution to bypass the obstacles related to the limitation of geographic area and the security which nowadays represent obstacles for the development of the carpooling and ridesharing. For

# USION

some other companies, the challenge is not only developing technologies to support this market. They are thinking out of the box and trying to make great leaps by investing in technological centers to develop technologies to make possible self-driving cars. This will be soon an important revolution for the carpooling and ridesharing market.

But this potential is slowed-down by the regulation aspect. Even if several countries already have authorized and adopted the concept, some others decided only to supervise the practice of carpooling and ridesharing without any rules to follow. The countries that recently change their positions about this topic made this choice after studying the impact of this on the traffic congestion, pollution and energy saving. If this industry is not accepted in some countries like china, it is because of lobbying and resistance of classic transportation actors like the taxi drivers.

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Data Collection



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# Data collection

In the different parts that we developed in this **Industry Analysis Report**, we used data and figures to support our argumentation. Some of the topics that we studied are technical topics like the law and the technology. For this reason, the origin of our data is the element that makes the conclusions of this report to be correct.

Then about the figures that are related to the **transportation analysis**, most of the quantitative data are collected from different studies made by the French institute INSEE. The figures that we used to support the calculation of CO<sub>2</sub> emissions are collected after a survey that concerned more than 40000 people. As the sample that was used is big, we can estimate that this one enough representative avec the tendency is correct.

About the **technology part**, the data came from different research institutes or universities that are trying to develop a good carpooling system. In this part the data are not quantitative. Thus, the only way that we found to have an objective data was to increase the number of sources.

Concerning the **Law and Public Policy part**, the data came, in majority, from governmental website of countries studied.

The data collected to develop the **Social Awareness part** came from serious surveys, from some newspapers (New York Times for example), and from a very famous study made by Cetelem and IPSOS concerning the carpooling.





Our evolution



This tool was used during the all project. It was the only tool that helps us to share our data and progress in real time. Then, now we can collect the data that was recorded about our progress during the 16 weeks.

