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Is car ownership down or up?



America's car ownership addiction may be harder to break than mobility services predict.

Automakers and tech companies have envisioned a future of shared autonomous fleets, in which consumers ditch their keys for apps, and parking lots become public spaces. This month at CES, Ford CEO Jim Hackett talked about "bringing the streets into the sharing economy," and days later, General Motors released its design for a driverless vehicle for a ride-hailing service.

And data have, in part, supported this vision. In May, <u>Reuters published a survey</u> showing that 9 percent of people who had sold a car in the past year did not buy a new one, turning to ride-hailing services as their primary mode of transportation. Lyft called the statistic "early evidence" that the trend away from individual car ownership was beginning to take root.

But <u>research</u> from the University of Michigan this week shows car ownership has been steadily rising in the past four years, with nearly two vehicles per household in 2016, the highest since 2009, and miles driven per household have been steadily rising for three years in a row.

The studies cover different periods -- Reuters spans the 12 months before the poll was published and the University of Michigan examines information through the 2016 calendar year -- but the data are still important to consider in gauging consumer appetite for the transportation "sharing economy."

For many -- especially households with children -- the vehicle is a moving living space. Far from the spartan interiors of self-driving vehicle renderings, today's vehicles are full of day-to-day items: a comfortable pair of shoes to change into after a long day in heels, car seats, athletic equipment and much more. Asking people to give up that utility to cram into a Chevy Bolt with a few strangers is going to be an uphill battle.

Decreasing individual car ownership would have innumerable societal benefits, from lower emissions to freeing up urban space, but companies should be realistic about how customers use their vehicles, and consider these needs as they step into the future. -- *Katie Burke*