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Benoît Robert
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The Competition Is Not What It Seems

Daimler's car2go, BMW's premium carsharing service, the upcoming Volkswagen project in Hanover and Renault-Nissan's New Mobility Concept, are radically changing the car industry.

The arrival of the automobile industry's major players on the "mobility-on-demand" market will hopefully accelerate the concept's large-scale development over the next few years.

It may seem surprising at first that manufacturers are investing in the carsharing industry, given that it helps reduce household vehicle holdings. Nevertheless, most of them are interested, and other powerful economic players (Hertz, Enterprise, Avis, etc.) have jumped into the market, as well. It therefore seems they have opted to actively participate in its development, rather than just watch the phenomenon unfold.

" IT WOULD HAVE BEEN STRANGE, TO SAY THE LEAST, IF CARMAKERS USED THEIR RESOURCES TO DEVELOP OFFERS WITH THE MAIN OBJECTIVE OF DOING THEIR UTMOST TO CANNIBALIZE THE CAR SALES MARKET. "



The question is this:

- **Where do the forerunners, like Communauto, stand amongst these giants?**
- **How do we intend to take advantage of the momentum created to maximize the results?**

We must not be naïve. Major players in the car industry and leading car rental companies are interested in the self-service car market primarily to make money.

Daimler (car2go) makes no secret of this fact. Aside from its strategic interests in the field, "Daimler intends to make a return on its investment in the service within three to five years." The future is therefore uncertain. It would be risky at this stage to rely on the major players to ensure the long-term survival of this emerging car service industry. They could invest heavily in it or just withdraw without any warning, as General Motors demonstrated in the early seventies (see **Histoire de l'autopartage**: www.communauto.com/historique01.html (in French)). In the late nineties, Budget also withdrew after three years in operation in

Edinburgh, Scotland (a more motivated local firm saved the project at the last minute.) In 2008, Honda withdrew from the Singapore market after six years, its efforts deemed unsuccessful, despite praise from the critics and the community's disappointment (And yet how difficult would it be for such a large company to manage a fleet of just under 100 vehicles?).

It is sometimes disconcerting that, paradoxically, companies with the most resources lack perseverance when it comes to innovation. They also tend to use their energy to obtain public funding (something that we have always refused to do).

There are many examples where local governments have been disillusioned when they joined forces with multinational partners whose aim was to maximize their profits rather than take advantage of economics to develop a social, urban or environmental vision (or one combining all three factors like Communauto). That's why the role of Communauto and other members of the CarSharing Association (**CSA**-officially launched last January), who believe in this vision, is so important.

If the automobile industry faces a paradigm shift today, it is thanks to forerunners like us, who pushed it unwillingly into this situation. If traditional rental companies are interested in this niche market today, it is mostly thanks to our success.

Nevertheless, it is important to remain vigilant. Hourly rental does not necessarily lead to a significant reduction in car ownership. For that, we need a service that provides a better alternative to car ownership. This is not the car industry's main goal (see the **box** the following page), and that is the problem.

Members of the **CSA**, supported by their European counterpart, need to work even harder to ensure that local governments adopt an analytical framework to avoid competition from companies that do not share the same principles.

Communauto's progressive rate structure, which none of the car industry's more traditional players have, is just one (and not the least) aspect that sets us apart. They usually charge \$10 or more per hour for vehicle use. One-way carsharing services like car2go, which allow you to drop the vehicle off at any station, are appealing at first glance (there are no constraints), but have their shortcomings and are not entirely reliable.

The possibilities of reserving a vehicle are either extremely limited (car2go) or relatively expensive (€0.10 per minute with BMW's premium car sharing).

Above all, these services, by their very nature, are opportunity based. Unlike classic carsharing services, they do not guarantee vehicle availability, and therefore use is usually spontaneous and unplanned.

Many see these services as complementary rather than in competition with ones like ours. They could even act as excellent catalysts in the large-scale development of the concept of the car as a mobility service, and that's something interesting for us to think about.

As long as the various industry players make enough profit to persevere this time in the carsharing market, we will see it rapidly develop over the next few years.

As none of the new players from the car industry have shown any interest in the same niche, we'll have all the room we need to further develop our service.

It would have been strange, to say the least, if carmakers used their resources to develop offers with the main objective of doing their utmost to cannibalize the car sales market. If it has come to this, it's because they have been forced by local governments and by competition. This makes us the local government's objective ally, whose role is to protect the original carsharing mission, which has warranted their support up until now.

Whatever their motives, whatever excitement they have generated over the self-service car concept and their complementary offers, the industry's major players are helping us achieve our long-term mission to make this kind of mobility service commonplace—and legitimate in people's minds. It's therefore up to us to successfully appeal to the increasing number of people prepared to use a service that is likely to allow them to give up car ownership.

• Is There Competition from the Automobile Industry?

The answer is not quite as clear-cut as it may seem. Nevertheless, one thing is certain: after almost 17 years of hard work, we have shown our commitment to promoting and defending a vision we believe in, despite all the obstacles. Our efforts will keep us at the centre of the carsharing world for years to come. To say the least, Communauto, along with other members that share the CSA's values, has definitely not said its last word.

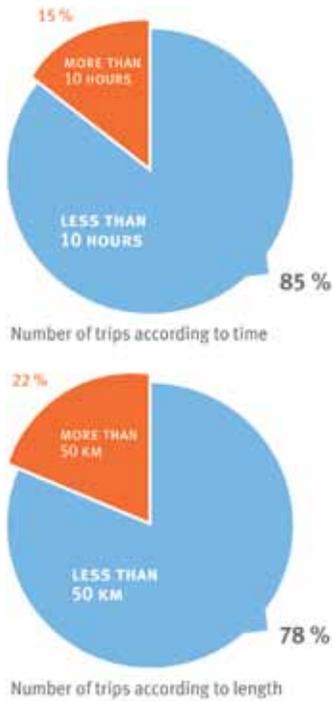
Benoît Robert

Initiatives to Manage

At the last International Association of Public Transport conference held in Lucerne, Switzerland, in March 2010, it was clear from discussions with Daimler that the car industry is very concerned by the results of European studies, which show that 30 percent of young people between 18 and 29 years old would rather have access to a car for occasional use than own one. Daimler's executives explicitly said that the aim of car2go is not to reduce vehicle numbers or car use, but to anticipate a potential reduction in demand for their products by developing a mobility concept likely to appeal to clients they risk losing.

This is by no means to dismiss the industry's initiatives, but to show that their motives may differ greatly from those of local government, which are tempted to support them. It is therefore important to be vigilant to ensure public interest comes first.

The car industry has tremendous resources. Since they are channelled by local governments, which have a certain amount of control over competition between companies and use of public space, it should be possible, not to say essential, to put those resources to good use through strict oversight.



These figures illustrate the most common type of trips made with Communauto vehicles. In fact, half of the reservations made are for less than 4 hours and less than 24 km, which, for half of them, comes to \$16 or less.

The constraints for cancelling and modifying reservations less than two hours before leaving will soon be gone!

The obligation to renew your package by mail will soon be a hassle of the past!

(We cannot wait for) the possibility to enjoy Felix's added value to extend a reservation of a vehicle or to report a sooner than expected return!

The network reservation is better than ever

Improved agreements with rental companies

You have an eligible Gold credit card or you have access to another type of insurance? Your savings can prevail as you can now use your own insurance when you rent cars through our intermediary, with one of our partnering rental companies.

See the link: “**Rabais et services exclusifs**” on our website (in the “**locateurs de véhicules**” section) to obtain all the details. For your benefit, we negotiate similar rates with the entirety of our network of car rental partners.

To convince our partners of the benefits they could reap from by offering certain advantages to our users, negotiations are underway.

Moreover, in order to facilitate access to the network of rental companies, we are looking for ways to integrate new interfaces that would allow you to make reservations directly in *Réservauto* with each one of our partners.

The rapprochement in our relations, knowing the complementarity of our respective offers (see the **figures** to the left) will allow us to easily channel the demand at the right place and the right time. This will help us to overcome our challenge which is to offer you the best possible availability of our cars at all times.

More than ever, it is possible to enjoy the best of both worlds thanks to the *network reservations*.

Easier access to Long distance rates

And other improvements to make your life easier

In addition to allowing you to make your own *Network reservations* in *Réservauto* (see the previous article); it will also be possible, in a couple of weeks, to reserve a vehicle at the *Long distance* rate, 24/7. Contrary to what is currently the case, *Réservauto* will deal with respecting quotas, this will allow us to find an optimum equilibrium between the cars we let out for the day versus the ones reserved at local rates, usually used for shorter trips.

These are only some of the improvements that are currently under construction. You will find in the **boxes** opposite, other examples of improvements under way. Without mention of the continuous improvements that have been brought to our iPhone app in the last months, thanks to your suggestions.

All these improvements have a common objective: to make your life easier.

The Caisse d'économie solidaire

A \$500 loan to switch to a member subscription

Are you subscribed to the *Le Lièvre* package and would like to switch to a more advantageous package (A, B or C), but the \$500 membership fee represents an obstacle in obtaining your wish? The Caisse d'économie solidaire has thought of you! Thanks to its AutoÉco program, you can borrow \$500 and receive \$25 in partial reimbursements or as the total interest.

You have everything to gain: attractive borrowing conditions as well as an access to our best usage rates. Spread the word to your friends! This privilege is given to anyone who wishes to subscribe to Communauto, regardless of their age!

Interested? Contact the Caisse. For more information: www.autoeco.coop.



In the city, I do P2P carsharing ! The Peer-to-Peer program starts



Communauto has turned its dream into a reality: it is about to launch the P2P pilot phase of the service, a project that has now been cajoled for a decade.

P2P (Peer-to-Peer) carsharing is a new service that will allow car owners to share their car with Communauto members, and this with total peace of mind thanks to the new all-risk insurance coverage, in case of an accident.

What does this mean for you? There is a bigger pool of cars available to you, more models accessible in more neighbourhoods and, based on your package, access to vehicles at preferential usage rates.

Soon you will have access to these additional cars the same way you access our vehicles, that is, by placing a reservation in *Réservauto*. It is however the owner of the vehicle who will give you the keys, personally.

There are two benefits to this new service: for Communauto, P2P is an extension of its mission to rationalize the usage of each vehicle while providing a means to improve the availability of vehicles for members.

The pilot project, which will start simultaneously in Montreal and in Quebec, will be evaluated throughout the summer. This adjustment period will allow us to perfect the system.

Does your household have a car that is not often used? Why not let your neighbours use it? Pre-registrations are underway! For more information go to: www.communauto.com/pep.

5 % discount with La Capitale ... and a chance to fly off to Barcelona!



The insurance company La Capitale, insurer of our automobile fleet, from the birth of Communauto, is also offering to pamper our members with an exclusive 5 % discount on automobile, living and recreational vehicle insurance.

Get a quote online! Who knows, you might even win a trip to Barcelona worth \$7 500!

For more information, consult the section "**Rabais et services exclusifs**" on our website or contact La Capitale.



This spring, jump on a train!

Enjoy the unbeatable Train+Auto combo prices, available until the 15th of May!*

..... Round-trip by train + communauto for 24h

MONTRÉAL > OTTAWA MONTRÉAL > QUÉBEC

79\$ or 99\$

+ 12 ¢/km (car)

*Introductory price

Log in to *Réservauto*, and reserve a vehicle by choosing the "Train + Auto" rate. You will automatically be redirected to *Réservia*, the online module for purchasing VIA Rail train tickets, personalized for our members.



Communauto's first incursion in an out-of-province market

The partnership unifying Communauto to CarShare HFX has just taken a major step forward. Since last 28th of February, Communauto has become one of the shareholders in the young Nova Scotian carsharing company. From left to right, on the cover page, Pam Cooley, CarShare HFX president and Benoît Robert, Communauto president-CEO, at the signing of the agreement.

BIXI-AUTO and BIXI-AUTO-BUS is back, exclusively for you!

Communauto is proud to be associated with its partners again to be able to offer you its DUO and its TRIO including free-service bicycles. This year, the STM offer, combined with the \$10 discount given by Communauto, allows you to reduce the cost of your BIXI membership by half. This offer is exclusive to Communauto users.

Note that the new credits are only offered for the 2011 season memberships for people who register on the BIXI website. If you were already registered to BIXI in 2010, you will have to wait to renew your membership to be able to enjoy this offer again. In the meantime, welcome to all the new BIXIclists!

Participate in Défi Climat

The 2011 *Défi Climat* is up and running! Indeed, the largest awareness campaign in Quebec has already passed 20,000 registrations. For its part, today Communauto has 100 participants, which is good, but we know we can do better!

Join the movement! You have until the 30th of April to take action and reduce your greenhouse gases by choosing, within a proposed list, inspiring eco-actions, some devised for the boldest of you.

Register now at www.deficlimat.qc.ca. At the end of the registration, specify that you are a Communauto member, as this will increase your chances of winning a prize. In addition to the numerous prizes offered by *Défi Climat*, Communauto will select three winners from its members for three \$100 gift cards for Dumoulin Bicyclettes, the specialist in bicycle travels in Montreal.

You have already participated last year? Good for you! Renew your commitments and share your tricks!

24/7 roadside assistance for a no-hassle service

You have a flat tire, a mechanical problem or you have forgotten your keys in the vehicle? Whatever the problem is, all our vehicles have a 24/7 roadside assistance everywhere in Canada and the USA. This service is in addition to Toyota's basic roadside assistance that is effective until the vehicle has reached 60 000km. It is offered on demand by our client services and at advantageous prices (sometimes at no cost – certain conditions apply).

Roadside assistance: to ensure you have a no-hassle service!

A clean car

Spring cleaning is underway in all our vehicles. For that the latter remain clean, we remind you that it is everyone's responsibility, after each use, to pick up the litter (papers, plastic bags, crumbs, containers, animal hair). It is a matter of good citizenship, but also a matter of respect for the next users of the vehicle. Remember: "the quality of the service **also** depends on you".

Biannual Communauto staff meeting

This spring, our meeting will take place on the 12th and 13th of May. During those two days, **our administrative services will be exceptionally closed.**

These meetings are very important for the management team to exchange information on our projects with the entirety of our company. We thank you in advance for your understanding.

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Communauto is preparing a surprise for you.

Live your car-free lifestyle better thanks to...



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