Industry Insight

BVRLA

# Car and Van Rental in the UK

## Market and Customer Insight from the BVRLA

Produced in association with steer

# Overview

# Introduction

Representing some of the most comprehensive research to-date into the vehicle rental market, this report is the culmination of six key research projects commissioned by the British Vehicle Rental & Leasing Association (BVRLA) in 2018.

Transport consultants Steer have lent their expertise to unearth important insights from a survey of 4,500 rental customers, a market-sizing omnibus survey, a detailed rental operators' study, a series of in-depth interviews with rental sector leaders as well as an analysis of both the economic impact and the  sustainability credentials of the rental sector.

This report presents a unique insight into the current size, scope and scale of UK operations, but also considers what the future holds.

It explores the role of car rental as part of the wider transport 'ecosystem', including new developments such as mobility-as-a-service and the extent to which mobility markets overlap one another.

It examines the ways in which transport services and commercial models are competing or complimentary, and if rental combined with other services could present a viable alternative to privately-owned transport.

# Executive Summary

## The Big Picture

- There are an estimated 11.2m annual car rental transactions in the UK
- There are an estimated five million annual van rental transactions in the UK
- 10.2m people (19% of UK licence holders) have rented a car within the UK in the last year
- 8.5m people (16% of UK licence holders) have rented a car abroad within the last year
- The industry operates a total fleet of 570,000 vehicles; 342,000 cars, 205,000 vans and 23,000 trucks

## Economic impact

- The industry employs an estimated 32,600 people
- Has an annual turnover of around £5.5bn
- It contributes an estimated £8.8bn to the UK economy each year
- It buys around 400,000 vehicles per year
- It buys 13% (around 49,000) of all cars assembled in the UK – spending £431m
- It buys around 53,000 cars that contain engines built in the UK

## Fleet profile

- The average rental car is six months old and emits 119g/km CO2
- The average rental van is 19 months old
- The average rental truck is three and a half years old

## Market profile

- 57% of car rental transaction are classed as corporate, while 43% are leisure
- 81% of van rental transactions are classed as corporate, while 19% are leisure
- The average leisure transaction sees a rental car hired for six days and travelling 408 miles
- The average leisure transaction sees a rental van hired for four days and travelling 288 miles
- The average corporate transaction sees a rental car hired for eight days and travelling 616 miles
- The average corporate transaction sees a rental van hired for 12 days and travelling 888 miles

# Executive Summary (continued)

## Why do people use rental?

- Previous experience is the most common reason for selecting a rental operator (42% of respondents), followed by convenience (35%) and value for money (34%)
- Visiting friends and relatives is the most common purpose to rent a vehicle (a third of respondents), although this has decreased since 2015
- Needing a car while away from home is the most common reason for choosing to rent a vehicle (38% respondents), followed by being the most convenient option (33%), transporting bulky items/baggage (20%) and not having an appropriate vehicle (16%)
- When considering other modes prior to rental, rail was the most commonly considered mode by 59% of respondents

## How do people use rental?

- Pick ups from transport hubs (including airport and train station locations) has increased from 40% of rentals in 2015 to 60% in 2018, 34% of rentals are picked up at inner city and suburban depots
- Medium cars, such as the Ford Focus or Vauxhall Astra, remain the most popular rental vehicle (about half of all rentals)
- More rentals are using petrol vehicles, an increase from 50% to 61% from 2015 to 2018
- Less rentals are using diesel vehicles, a decrease from 48% to 36% from 2015 to 2018
- Alternatively fuelled vehicles make up a small but growing share of rentals
- A third of rentals used the rental vehicle as part of a longer trip using other modes of transport
- Rental duration has increase from an average of 5.2 days in 2015 to 9.2 days in 2018
- Rental vehicle occupancy is higher at 2.3 people/vehicle than the average private vehicle occupancy of 1.6 people/vehicle

## Attitudes towards alternative transport options

- Half of all business renters didn’t consider any other transport options, an increase from 30% in 2015
- Although only 3% of renters had rented a pure electric vehicle (EV), 62% would like to rent an EV, if the price was comparable to other vehicles
- 6% of respondents have used a car club, this is eight times higher than national average
- Considering other travel modes, private car is used by most (two thirds of renters use their private car three times per week or more)
- Respondents are more likely to cycle frequently than travel by either bus or train

# Executive Summary (continued)

## Non-business renters

- 14% of non-business renters come from a household without a car, compared to 6% of business renters
- 13% disposed of a household car and didn't replace it in the last year
- The most common reasons for disposing of a car and not replacing it are:
    - An increase in the cost of running a car (23% of respondents)
    - An increase in the cost of owning a car (20% of respondents)
- 37% of households without a car rent five times a year or more, compared to an average of 21% of all respondents
- Respondents were positive about the advantages of hiring a vehicle rather than owing a vehicle but less positive towards using somebody else's car (i.e. peer to peer)

## Business renters

- The survey covered a wide range of businesses from across the UK from sole traders (26% of respondents) to businesses with over 500 employees (20% of respondents)
- The proportion of business travellers who travel most weeks has increased from 43% in 2015 to 48% in 2018
- 75% of travellers are able to decide on the form of transport they use for business
- Business travellers tend to agree (52%) rather than disagree (10%) that hiring a vehicle has advantages over a business fleet
- Business travellers tend to disagree (39%) rather than agree (18%) that their employer is trying to limit employee car use for environmental reasons

# Methodology for this study

**This report presents the combined findings of three surveys, expert interviews and two data analysis studies:**

### 1. Car & Van Customer Survey

In September 2018 five major UK rental companies sent by email the ‘customer rental survey’ to customers who had hired a vehicle in the last 12 months.

The rental companies involved in the research were:

- Arnold Clark Car & Van Rental;
- Avis;
- Europcar;
- Hertz; and
- Thrifty.

4,569 responses were collected by the survey. Of these 922 responses were from business users.

Data from the customer survey has not been weighted, as there is a lack of reliable information on which to base any weighting.

This report presents the analysis of the customer survey, highlighting where there are particular differences comparing the data to the last time the survey was conducted in 2015. The 2015 Car Rental Survey obtained 1,691 responses, compared to 4,569 responses which were received in the 2018 Car & Van Customer Survey.

In some cases respondents who were asked about their last trip commented on a trip from a different rental company. The proportion of responses to this section of the survey where respondents commented on a trip made with a different rental company ranged from 9% of rentals to 42% of rentals. We have provided more detail about this in the Appendix.

### 2. Omnibus Survey

In June 2018 an omnibus survey was completed by just under 2,500 UK adults. The sample has been weighted to be representative of the UK adult population.

Results within this report are based on the responses from the two surveys. However the results have not been aggregated across surveys

Using the two data sets (car & van customer survey and omnibus survey) Steer have created an infographic to provide an overview of the size of the rental market. This can be found in the Appendix, along with Rental Operator Survey 2017 Results which was conducted by BVRLA.

# Methodology for this study (continued)

### 3. Spotlight Interviews

In March 2018 representatives from the various rental companies were interviewed, on topics including:

- Trends in the rental market;
- Challenges within the sector;
- Future opportunities within the sector;
- Future mobility;
- Societal and customer adaption;
- Role in the air quality debate; and
- The counter terrorism threat.

Extracts from the interviews are presented within this report.

### 4. Rental Operator Data

In early 2018, the BVRLA conducted an online survey of rental operators, receiving responses from 31 companies who were responsible for 58% of the combined UK car and van rental fleet. They provided operational data on their 2017 activities.

### 5. The Economic impact of the motor vehicle leasing and rental industry

In 2018, the BVRLA commissioned Oxford Economics to conduct an analysis of fleet and financial data from thirteen member companies who had a combined fleet of 1.8 million cars, vans and trucks. This data was analysed with OE's input-output model of the UK economy, using data from ONS, SMMT, HMRC and other providers.

### 6. Rental Industry Sustainability Credentials 2018

In 2018, the BVRLA commissioned sustainable transport consultancy Gfleet to analyse detailed fleet data from 640,000 vehicles supplied by 24 members. This was combined with additional grey fleet data from TMC and EST and cross-referenced with data from the DVLA, SMMT and other sources to profile different sections of the rental, leasing and car club fleet against other alternative methods of accessing road transport.

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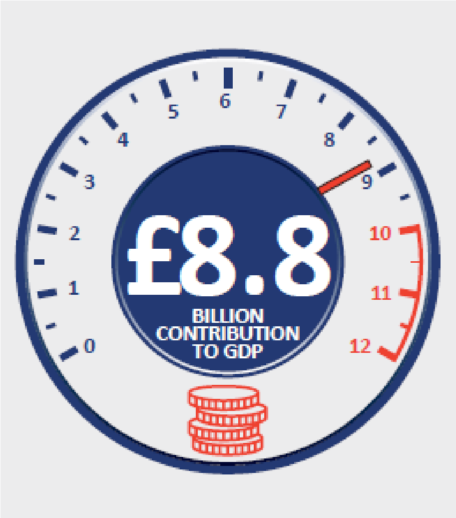
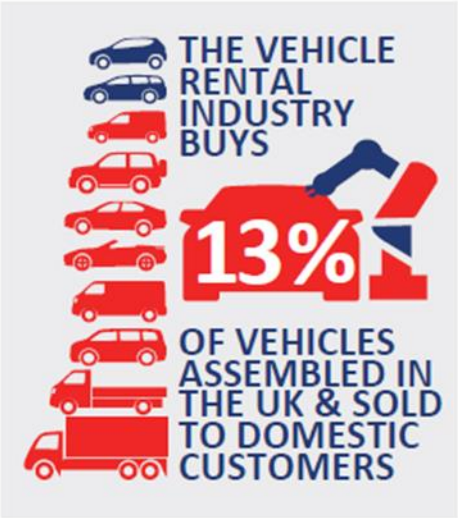
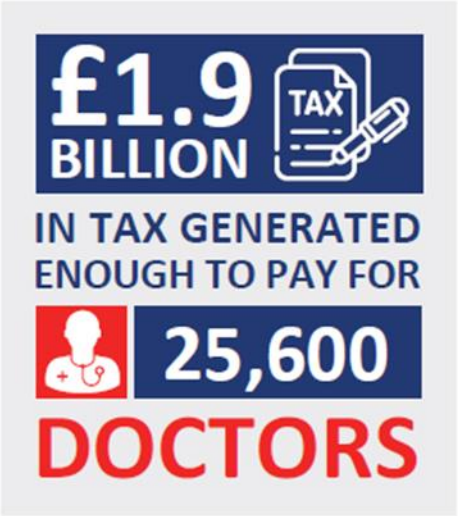
# 1 Headline findings

## 1.1 The vehicle rental industry’s contribution to the UK







# 1.2 UK rental market

**11.2m**

annual UK car rental transactions

**5m**

annual UK van rental transactions

Percentage of UK licence holders who have rented a car within the last year:

**19%**

within the UK (10.2m)

**16%**

outside the UK (8.5m)

Reasons for car rental:

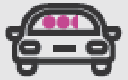
- **I was away from home and needed access to a vehicle**
- **To carry luggage or bulky items**
- **Most convenient option**
- **For complex travel with multiple journeys**
- **Household did not have appropriate vehicle**
- **Journey was not possible by public transport**

Car rental users are

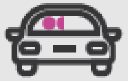
**×8**

more likely to be a car club member than the average UK driving licence holder

Average occupancy of a **private rental car** vs a **private car**



**2.3**
**private rental car**



**1.6**
**private car**

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# 1.2 UK rental market (continued)

**60%**

of vehicle rental customers picked up their rental car from a transport hub e.g. airport, train station

Car rental vehicles typically produce

**26%**

less CO2 (greenhouse gases) than the average car on the road

**57%**

Percentage of Euro 6 vans on the fleet

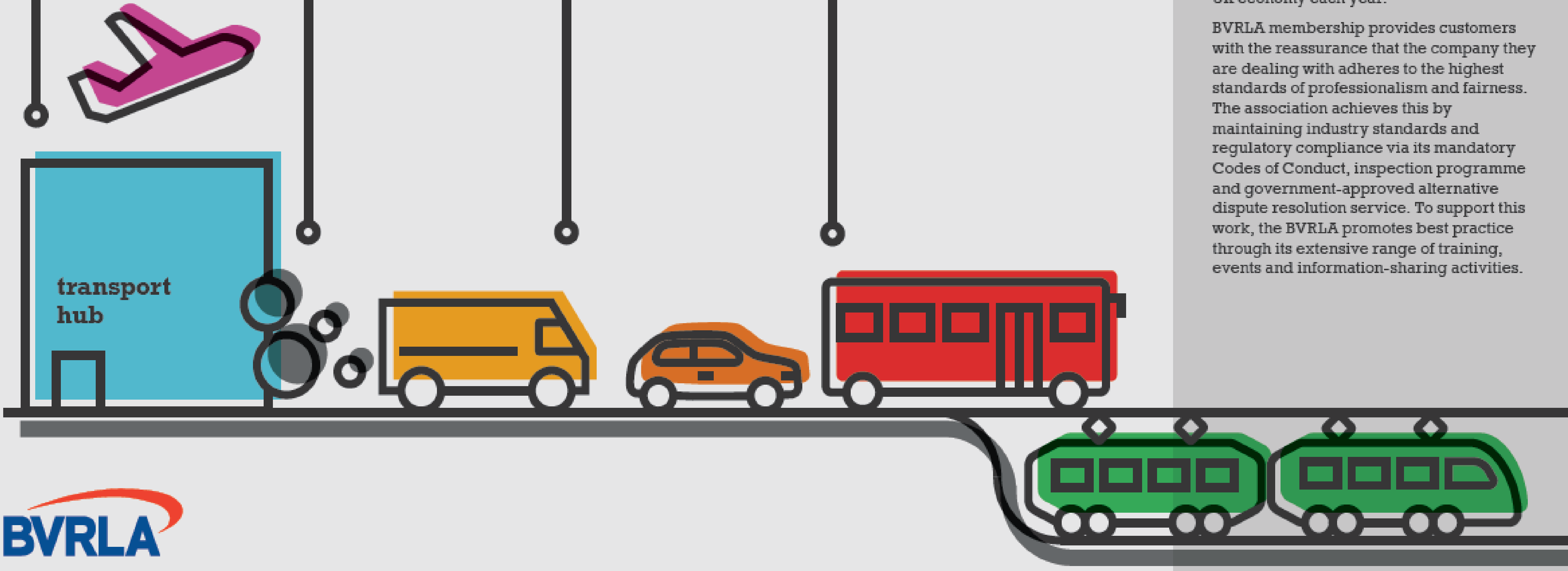
**92%**

Percentage of Euro 6 cars on the fleet

Where rental car formed part of a longer overall trip,

**34%**

of rental car customers used a form of public transport during this trip



BVRLA

## About the BVRLA

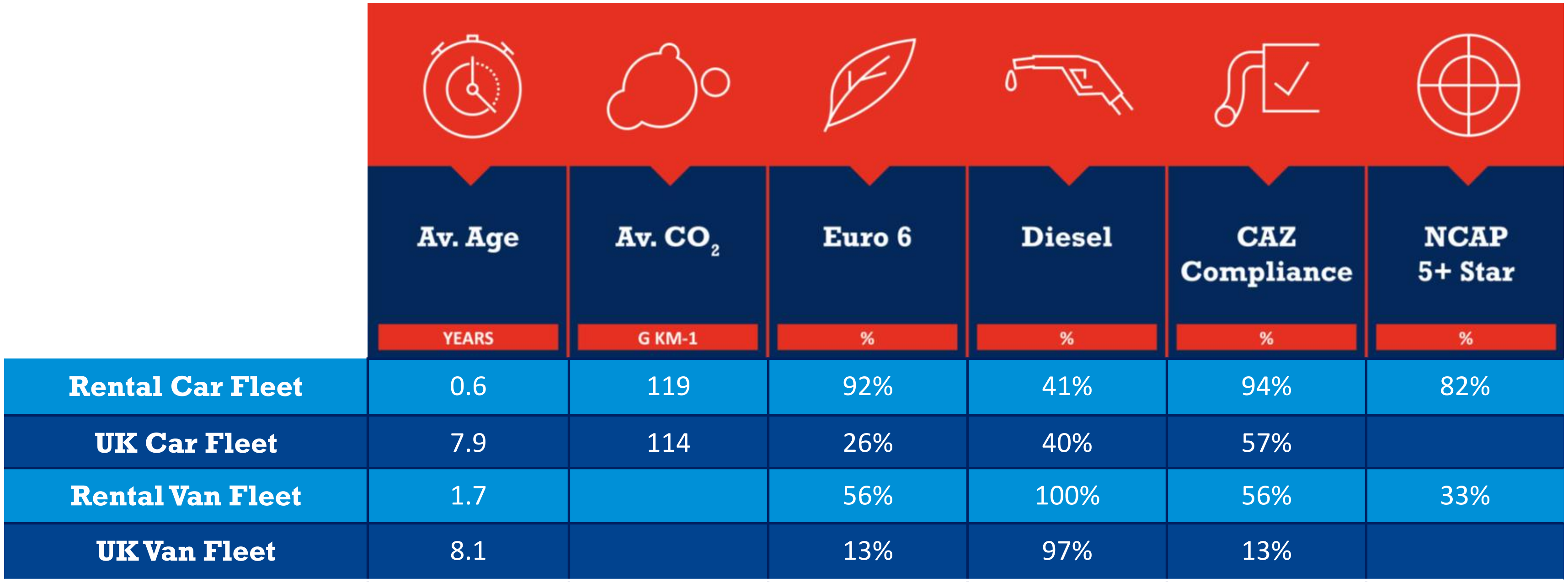
Established in 1967, the British Vehicle Rental & Leasing Association (BVRLA) is the UK trade body for companies engaged in vehicle rental, leasing and fleet management.

On behalf of its 900+ member organisations, the BVRLA works with governments, public sector agencies, industry associations, consumer groups and other stakeholders across a wide range of road transport, environmental, taxation, technology and finance-related issues.

BVRLA members are responsible for a combined fleet of almost five million cars, vans and trucks on UK roads, that's 1-in-8 cars, 1-in-5 vans and 1-in-5 trucks. The vehicle rental and leasing industry supports over 465,000 jobs, adds £7.6bn in tax revenues and contributes £49bn to the UK economy each year.

BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness. The association achieves this by maintaining industry standards and regulatory compliance via its mandatory Codes of Conduct, inspection programme and government-approved alternative dispute resolution service. To support this work, the BVRLA promotes best practice through its extensive range of training, events and information-sharing activities.

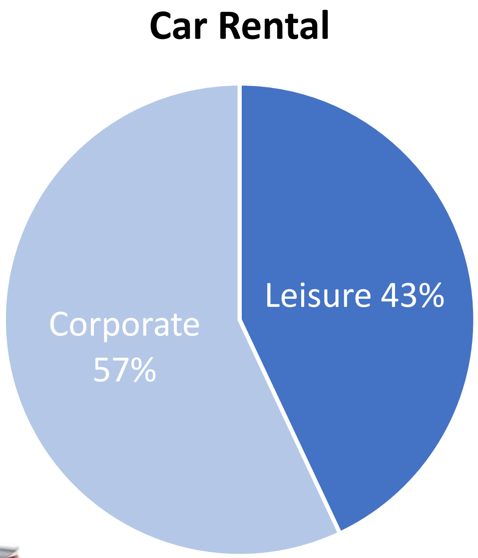
# 1.3 Summary of BVRLA fleet sustainability credentials

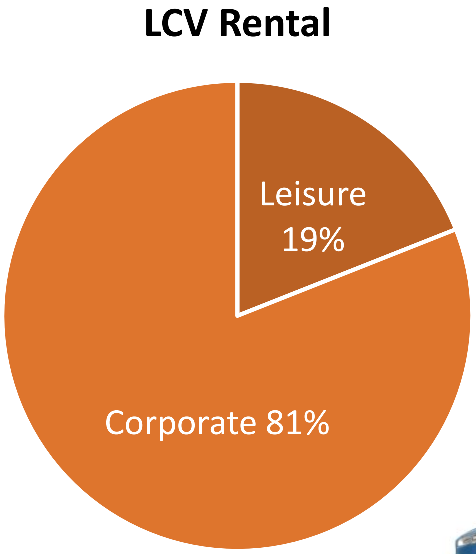


| | Av. Age<br>YEARS | Av. $CO_2$<br>G KM-1 | Euro 6<br>% | Diesel<br>% | CAZ Compliance<br>% | NCAP 5+ Star<br>% |
|---|---|---|---|---|---|---|
| **Rental Car Fleet** | 0.6 | 119 | 92% | 41% | 94% | 82% |
| **UK Car Fleet** | 7.9 | 114 | 26% | 40% | 57% | |
| **Rental Van Fleet** | 1.7 | | 56% | 100% | 56% | 33% |
| **UK Van Fleet** | 8.1 | | 13% | 97% | 13% | |

# 1.4 Rental Operator Data

## Vehicle Rental Split by Corporate and Leisure Transactions


Car Rental


LCV Rental

Corporate includes breakdown/credit hire
Leisure includes transactions through the broker channel

# 1.4 Rental Operator Data (continued)

## Leisure Transactions

### Cars

Average billed days per transaction

| | 2017 |
|---|---|
| Days | 6.3 |

Miles (per billed day)

| | 2017 |
|---|---|
| Miles | 68 |

### LCVs

Average billed days per transaction

| | 2017 |
|---|---|
| Days | 4.4 |

Miles (per billed day)

| | 2017 |
|---|---|
| Miles | 72 |

## Corporate Transactions

### Cars

Average billed days per transaction

| | 2017 |
|---|---|
| Days | 8 |

Miles (per billed day)

| | 2017 |
|---|---|
| Miles | 77 |

### LCVs

Average billed days per transaction

| | 2017 |
|---|---|
| Days | 12 |

Miles (per billed day)

| | 2017 |
|---|---|
| Miles | 74 |

# Customer insights

# 2 How do people use car rental?

# 2.1 Introduction

## How do people use car rental?

This chapter considers how people use car rental.  The analysis presented includes the full sample of respondents from both non-business and business users.  The sample size is 4,569 respondents, although not all respondents answered every question.

The chapter provides information about:

- Pick up locations
- Vehicle type
- Rental as part of a longer trip
- Rental duration
- Vehicle occupancy
- Advance booking

# 2.2 Pick up locations

The most common location for users to pick a rental vehicle was a transport hub, which includes both airport and train station locations.

The proportion of rentals picked up from transport hubs has increase from less than 40% in 2015 to 60% in 2018.

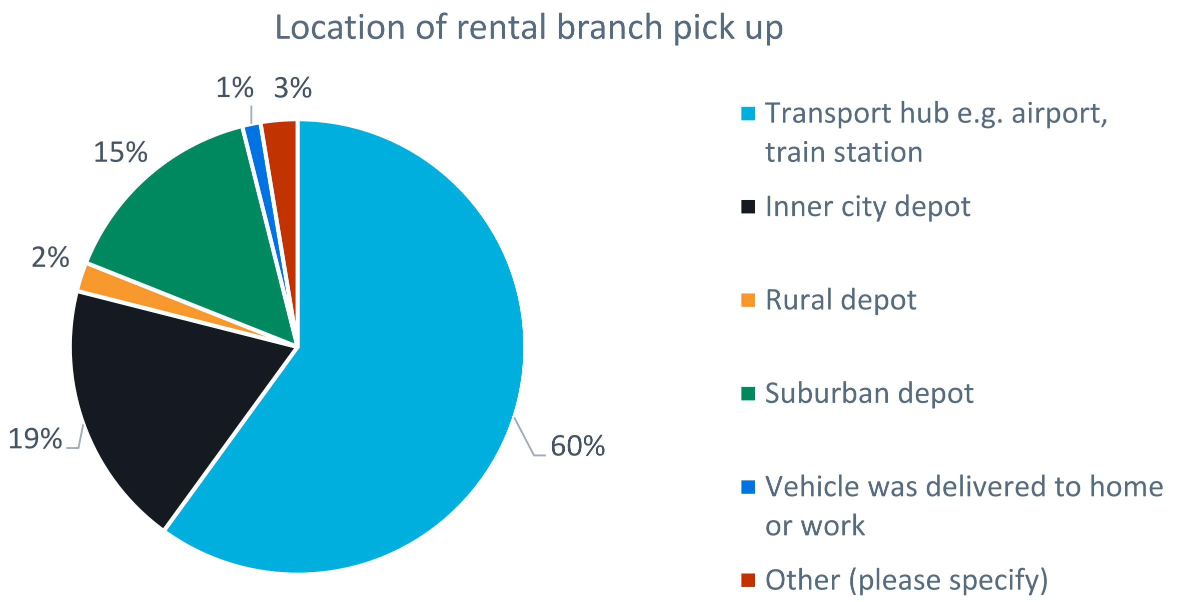
The next most popular pick up location were:

- Inner city depots (19% of pick up locations); and
- Suburban depots (15% of pick up locations).

Pickup locations were spread widely across the UK. Users were asked to specify the county or metropolitan area where they picked up their vehicle. The top five locations with the greatest number of pick ups were:

1. Greater London (12% of pick up locations, 1.88m transactions)
2. Glasgow (5% of pickup locations, 0.86m transactions)
3. Edinburgh (5% of pick up locations, 0.80m transactions)
4. Greater Manchester (3% of pickup locations, 0.44m transactions)
5. Bristol (2% of pickup locations, 0.39m transactions)

There were a lower proportion of pick ups from London in 2018 than in 2015 – falling from 18% to 12%.



Based on 4,063 valid entries (all users)

## 2.3 Vehicle type

"Diesel vehicles are becoming less popular with customers in the UK and we are adjusting our fleet accordingly" (Avis Budget Group, 2018)

"Customers are no longer focusing on the size of the car but are more focused on mobility" (Arnold Clark, 2018)

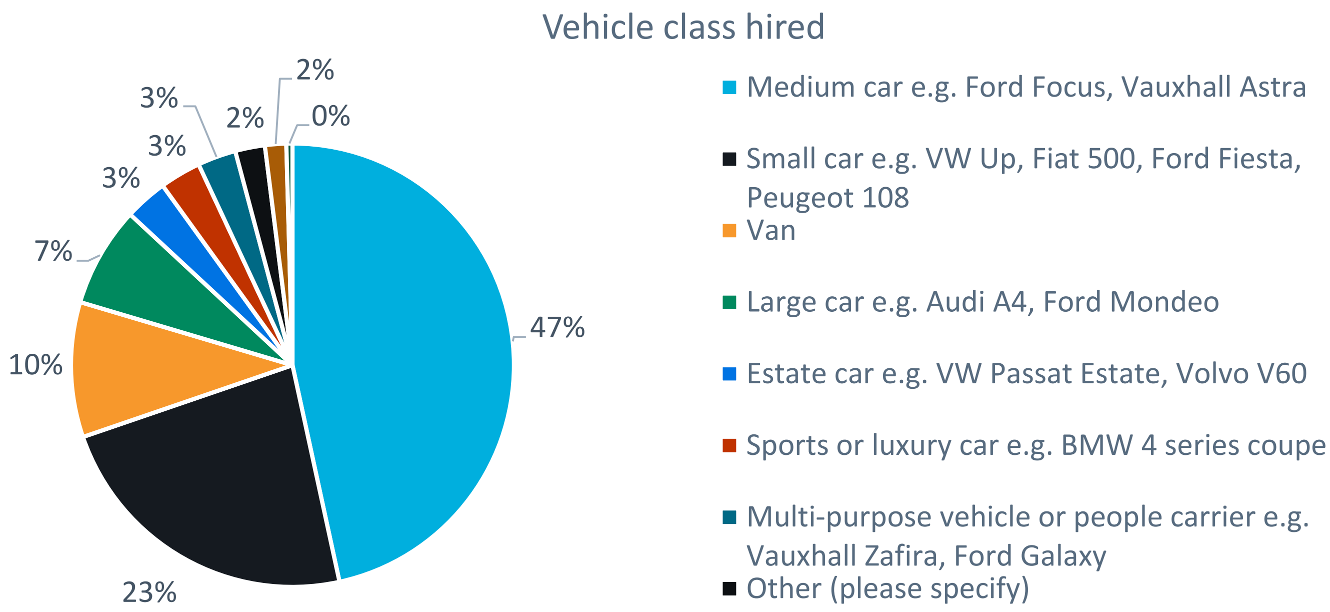
The most common vehicle type, hired by almost half of users was a medium sized car, such as a Ford Focus or Vauxhall Astra. This is consistent with responses from the 2015 survey.

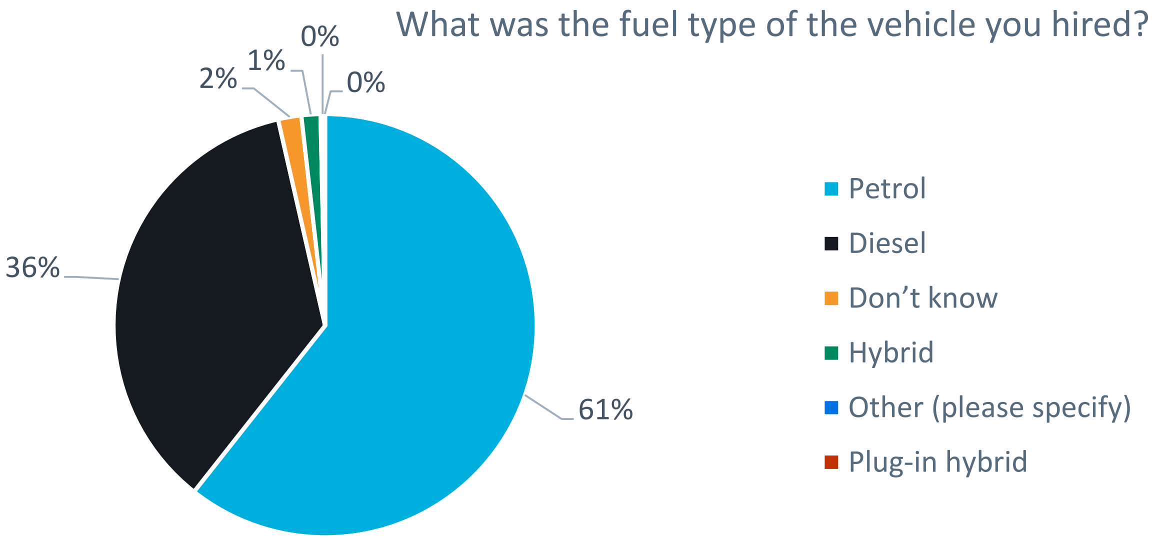
The proportion of respondents hiring a small car and large car has decreased since 2015 from 27% to 23% and 11.5% to 7% respectively. The 2018 survey also captured 10% of respondents who hired a van. Hires of medium cars have remained constant – at 47% in 2015 and 2018.

The most common fuel type for vehicles hired was petrol. In 2018 61% of respondents hired a petrol vehicle, an increase from 50% in 2015. The proportion of respondents hiring a diesel vehicle has decreased from 48% to 36% over the same period. This reflects wider trends in the vehicle market following the 'dieselgate' scandal in 2015, although the current rental fleet currently includes 51% diesel vehicles.

The proportion of respondents hiring a hybrid vehicle, while still low at 1% has increased from 0.1% of respondents in 2015.

"There is a greater focus on petrol vehicles but some customers still want diesel vehicles as they are cheaper to run" (Alley Cat, 2018)





Based on 4,063 valid entries (all users)

## 2.4 Rental as part of a longer trip

A third of rentals used the rental vehicle as part of a longer trip using other modes of transport.

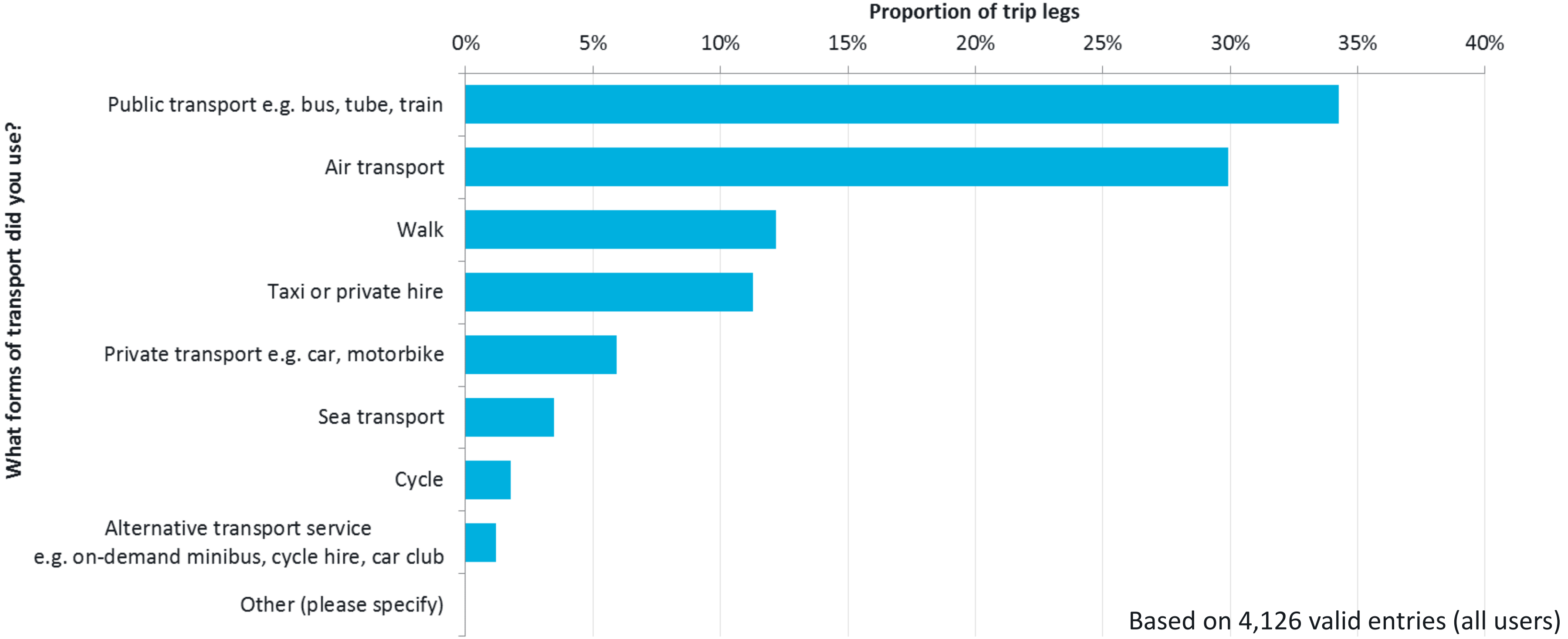
The most common other form of transport was public transport, used by more than a third of respondents, an increase from 26% in 2015.

30% of respondents also used air, as part of their longer trip. This is a slight increase from 27% of respondents in 2015. Walking as a means of accessing the rental branch fell from 17% to 12%.

The average number of additional modes used as part of the journey was 1.4 (in addition to rental car).

Of these customers who used air transport as part of their trip, 80% picked up their rental car from a location in a UK county, the remaining 20% did not answer the question.

Comparing the top 20 pick up locations between those customers who used air transport and the full customer sample suggests these customers could be using rental car before/after a domestic flight within the UK. For example the top 20 pick up locations for rental cars for customers using air transport include London, Edinburgh, Bristol, Essex (Southend airport), Glasgow, Manchester, Bedfordshire (Luton airport), Cornwall (Newquay airport), Cardiff, Devon (Exeter airport).



# 2.4 Rental as part of a longer trip (air)

42% of rental car customers who use air transport as part of their journey were travelling to visit family and friends, compared to 34% of the full customer sample.

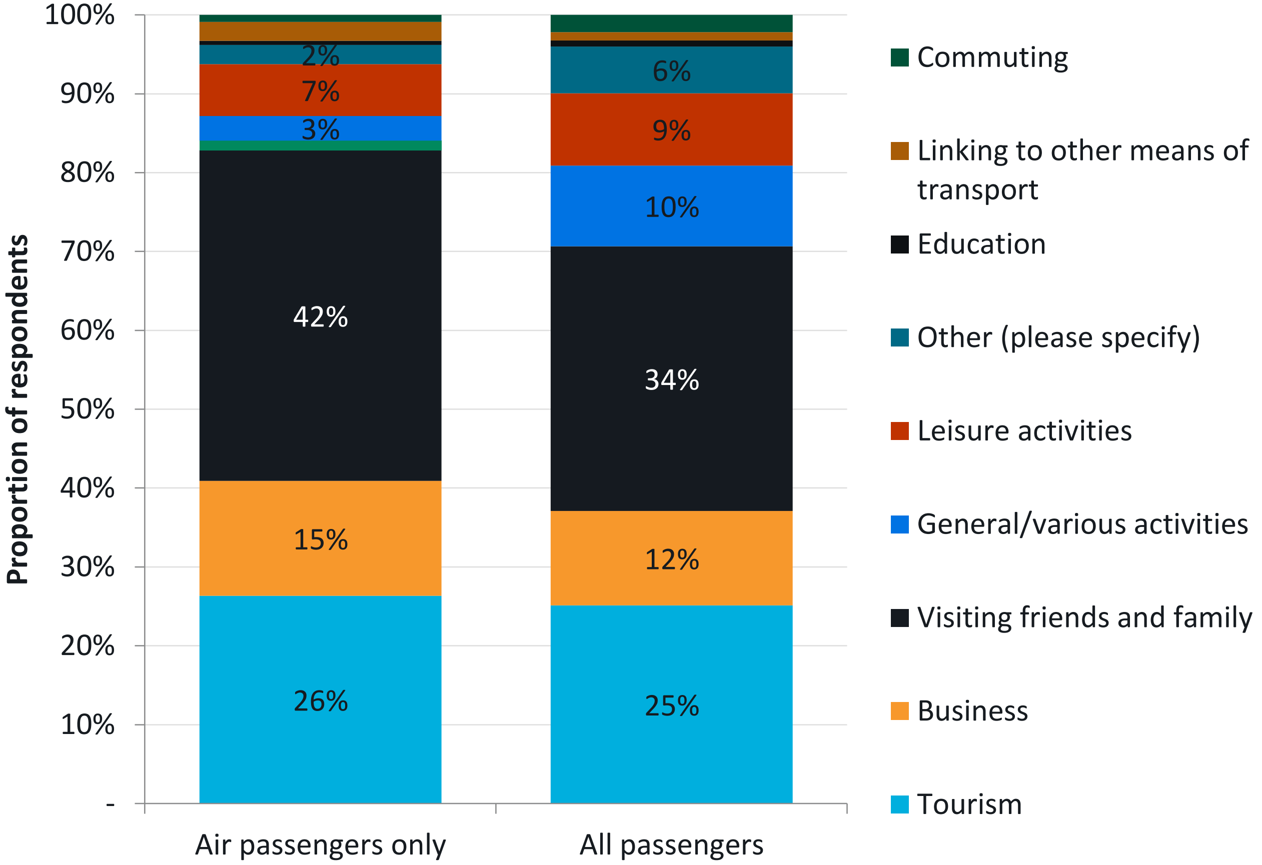
The proportion of customers renting for business purposes was higher for customers who used air travel as part of their journey – 15% compared to 12% for full sample.

3% of customers who used air transport were travelling for general/various activities compared to 10% of all customers.

The proportions using rental car for tourism are similar across both samples.

Rental car customers using air transport as part of their journey tended to rent their car for a longer duration than when considering the full customer sample.

11% of the full customer sample rented their car for 1 day, compared to 8% of rental car customers using air transport, while when considering a rental duration of 4 to 7 days these percentages are 33% and 35% respectively.



Based on 4,126 valid entries (all users)

# 2.5 Rental duration

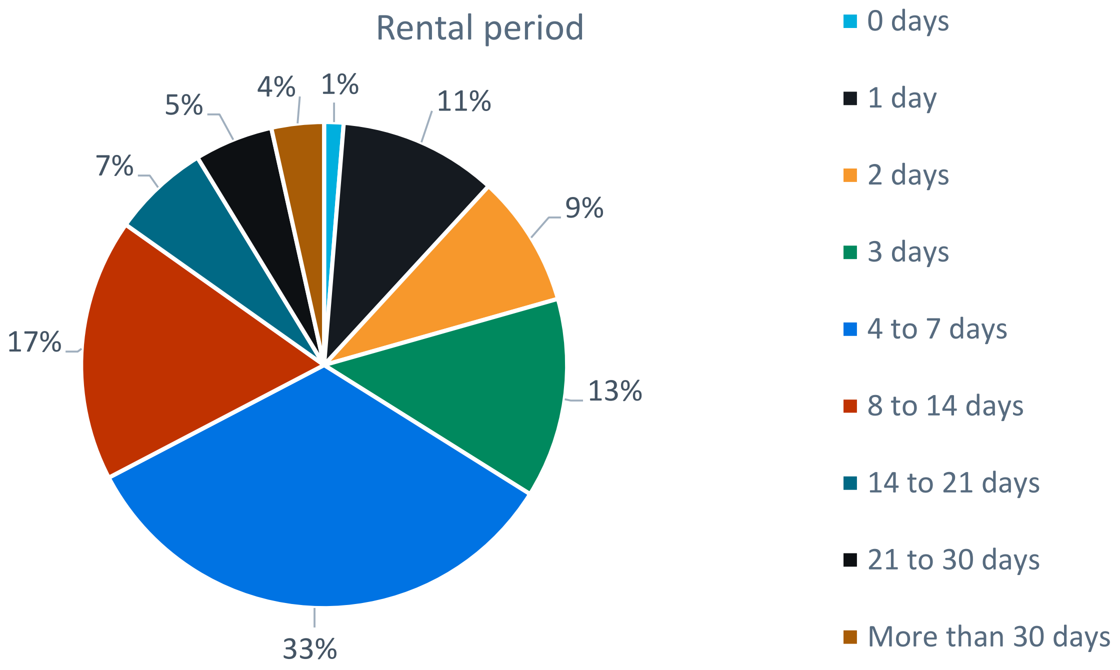
Comparing rental duration to responses from 2015, there is an overall trend towards longer rental durations. The following differences are noted between 2015 and 2018:

- Rentals of one day or less decreased from 17% to 12%
- Rentals of between two and three days decreased from 35% to 21%
- Rentals for eight to fourteen days increased from 10% to 17%
- Rentals for more than 30 days increased from 0.7% to 4%

In 2018 the average rental period of 9.2 days, for 2015 the equivalent figure was 5.2 days.

However, 71% of respondents (2,814) of this question were Europcar customers. 31% of Europcar rentals were for leisure or visiting friends and family, compared to an average of 17% for other operators. Rentals used for leisure trips are shown to be hired for a longer duration than other purposes.

If Europcar were excluded from the analysis, the average rental period is 6.3 days; over a day longer than 2015.



Based on 3,955 valid entries (all users)

# 2.6 Vehicle occupancy

Less than a quarter of all rentals involved only one person in the vehicle. This has reduced slightly from 28% single person vehicle occupancy in 2015 to 24% in 2018. This is compared to 62% of car/van trip stages in England were made as single-occupancy journeys, according to 2017 National Travel Survey data (0905).

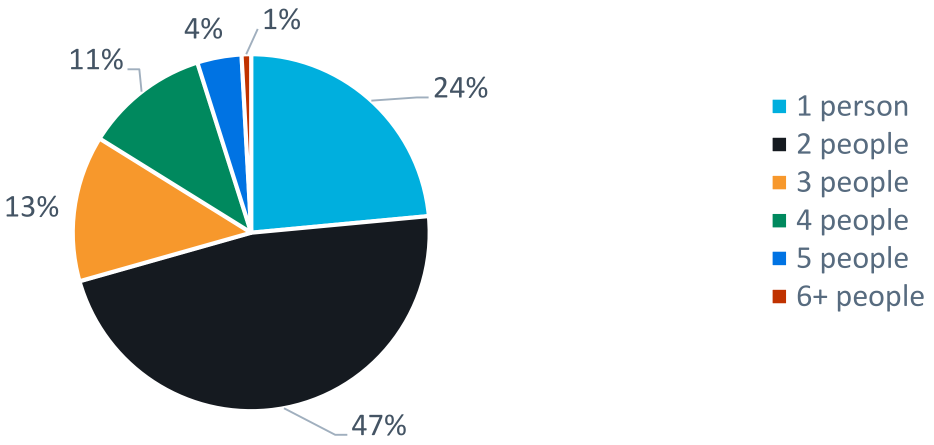
The proportion of rentals with two or more people in the vehicle has increased from 72% in 2015 to 76% in 2018.

In 2018 the average group size was 2.3 people, this is very similar to the 2015 figure of 2.2 people. By comparison, the average vehicle occupancy in England was 1.55 according to the 2017 National Travel Survey data. For leisure and holiday/day trips this figure rises to 1.69 and 1.96 respectively. For business trips the average vehicle occupancy in England is only 1.18 – similar to commuting with on average 1.18 passengers.

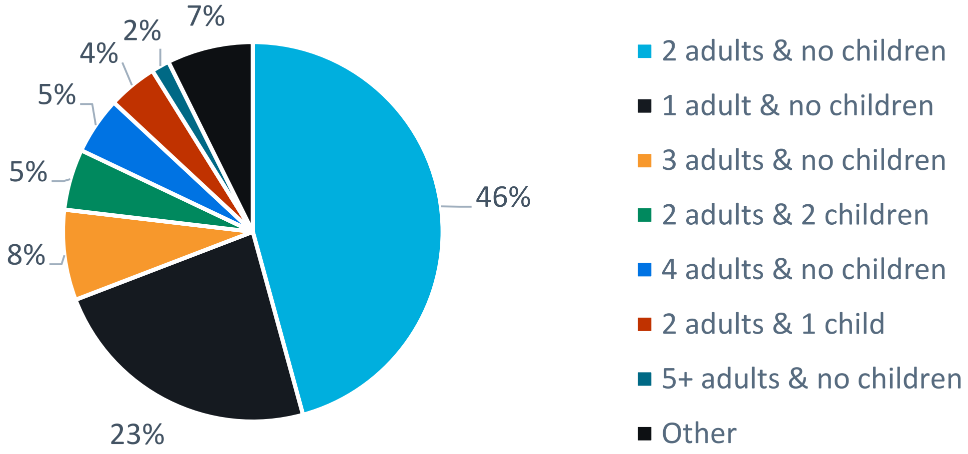
The most common group composition for vehicle rentals was two adults, with no children for almost half of all rentals. Two passengers was also the most frequent group size – nearly half of all trips (47%). This is an increase from 43% in 2015.

For one in ten vehicle rentals the group composition includes both adults and children.

Group Size



Most frequent groups using car rentals



based on 4,036 valid entries (all users)

# 2.7 Advance booking

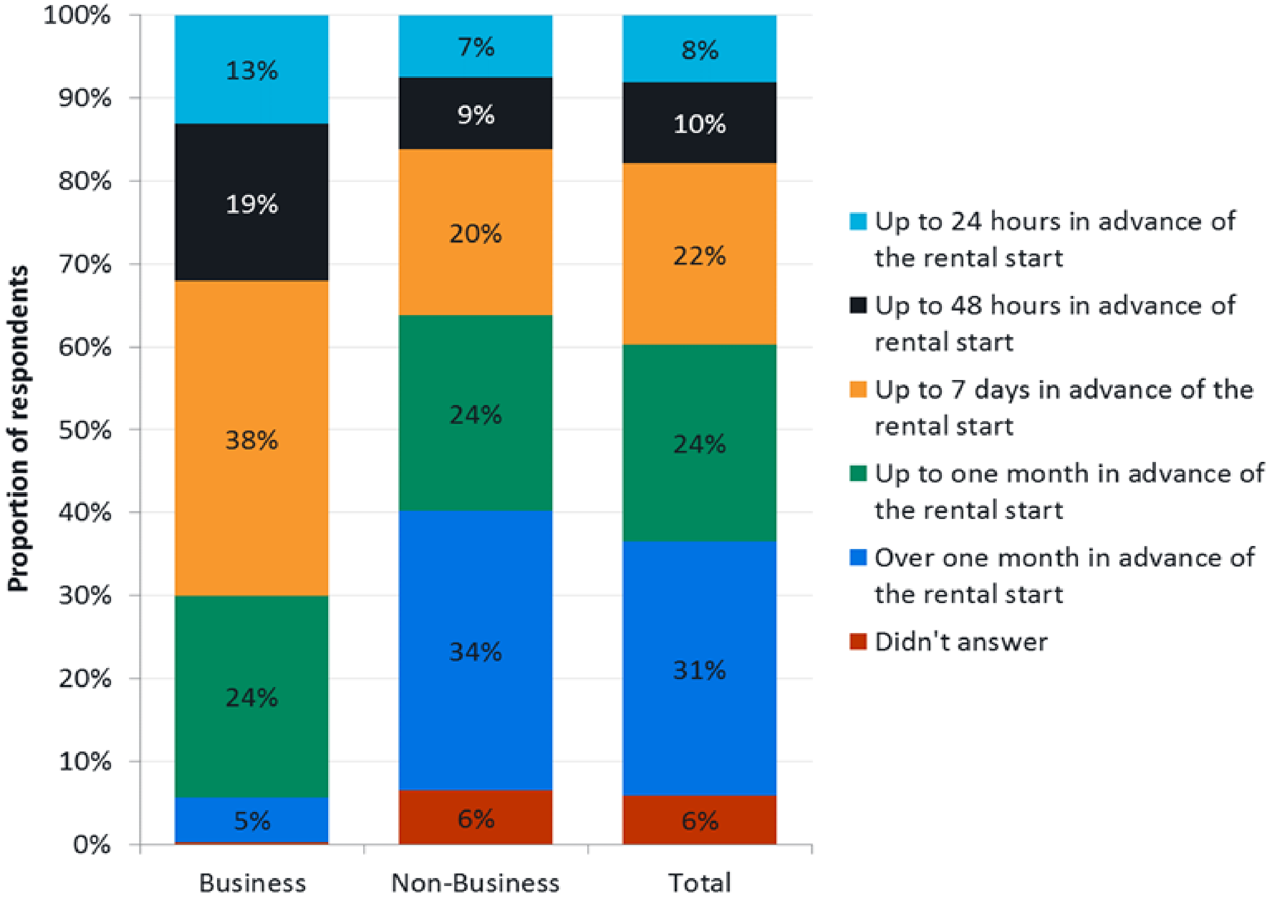
Considering advance booking there is a clear difference between business and non-business users with non-business users tending to book further ahead than business users.

For advance bookings 29% of business users book more than a week in advance of rental, compared to 34% of non-business users.

For last minute bookings 13% of business users book less than 24 hours before the rental starts, compared to 7% of non-business users.

Any pre-rental security checks required to verify renter' identity may be more challenging with last minute bookings.

The survey also shows that frequent renters are more likely to book at the last minute, whereas infrequent renters are more likely to book more than a month in advance.



based on 4,569 valid entries (all users)

## 3

# Why do people use car rental?

## 3.1 Introduction

### Why do people use car rental?

This chapter considers why people use car rental. The analysis presented includes the full sample of respondents from both non-business and business users. The sample size is 4,569 respondents, although not all respondents answered every question.

The chapter provides information about:

- Reason for rental
- Use of rental in preference to personal vehicle
- Use of rental in preference to public transport

# 3.2 Reason for rental

### Company choice

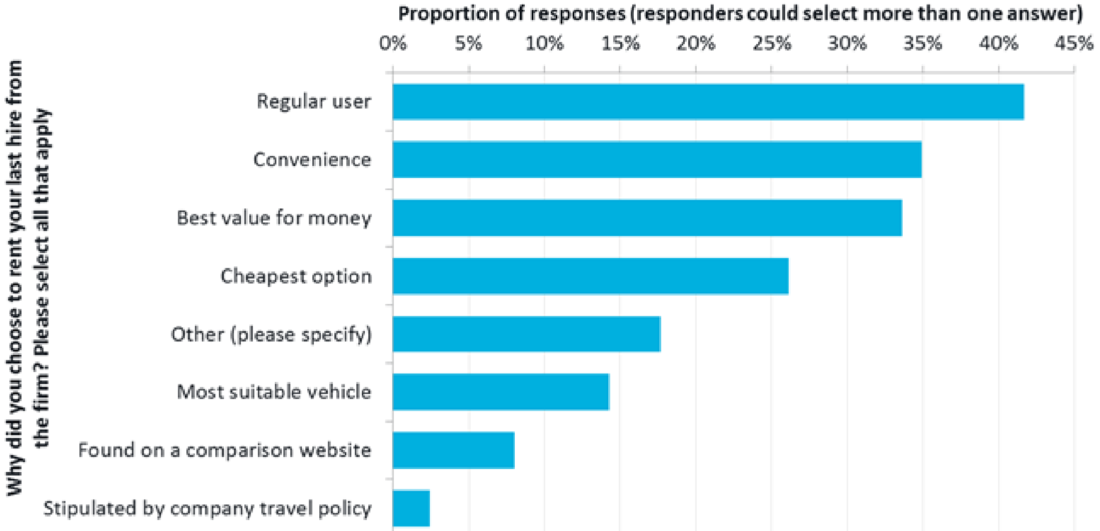
The most common reason for selecting the operator for respondent's most recent rental was being a regular user (42% of respondents). Convenience (35%) and best value for money (34%) were also popular responses.

### Journey purpose

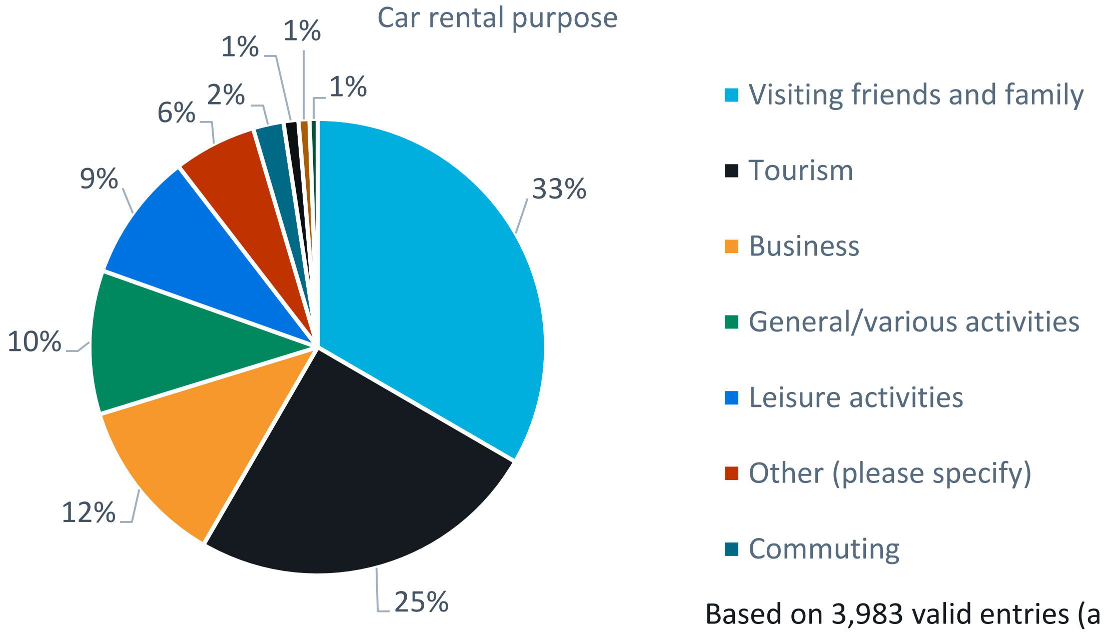
One third of respondents rented a vehicle to visit friends and family. In 2015, the proportion was slightly higher at 37%.

25% of respondents rented a vehicle as part of a tourist trip – a drop from 31% in 2015.

Business travel was the purpose for 12% of rentals, with general/various activities comprising a further 10% of rentals. This compares to 16% for both categories in 2015.



Based on 4,302 valid entries (all users)



Based on 3,983 valid entries (all users)

# 3.3 Reason for hiring a vehicle

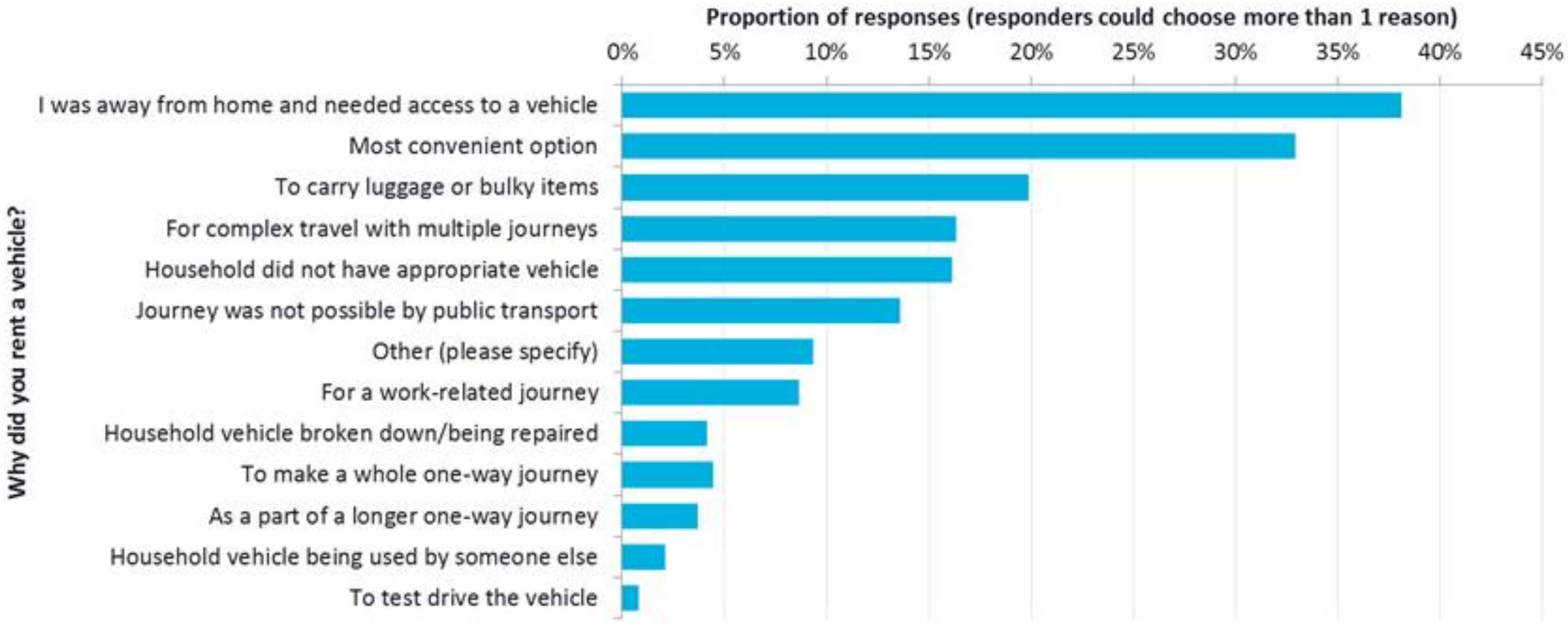
Respondents were asked about the transport modes they considered instead of hiring a vehicle. Respondents could give more than one answer.

Respondents were asked why they rented a vehicle instead of using a household vehicle. Respondents could select more than one answer. The most frequent response (33% responses) to this question in 2015 was that the household did not own a vehicle.

In 2018 the most frequent responses where that the respondent was away from home and needed to access a vehicle (38%) and that vehicle hire was the most convenient option to complete the journey (33%).

Other popular responses were that the respondent opted for vehicle hire because they wanted to carry luggage or bulky items (20%) and that they were planning complex travel with multiple journeys (16%).

A sixth of responses (16%) said the household did not have an appropriate vehicle, suggesting the household either did not own any or not the right type of vehicle for the journey ahead.



Based on 3,983 valid entries (all users, multiple responses possible)

# 3.4 Weighing up other modes vs car rental

Respondents were asked about the transport modes they considered instead of hiring a vehicle. Respondents could give more than one answer.

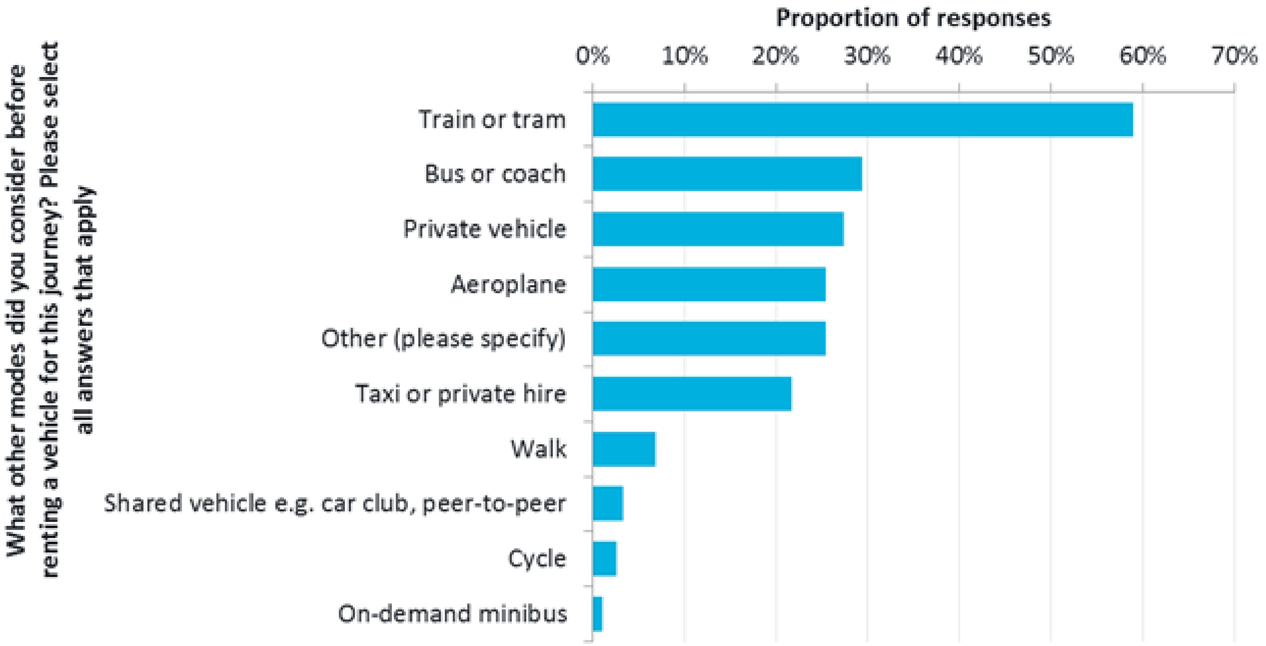
In 2018, the most frequently considered alternative to vehicle rental was rail. Over half, 59% of respondents considered train or tram.

A bus or a coach was the second most frequently considered alternative to hiring a vehicle.

A quarter of respondents considered air travel instead of car hire in 2018. This is a significant rise from 2015 when only 8% considered air travel as an alternative.

Just over a quarter considered their own private vehicle to complete the journey in 2018, similar to 2015.

Taxi or private hire was a more common consideration  in 2018 than in 2015 – 22% vs 14% respectively. This shift suggests the recent disruption of the sector and broadening of the availability of private ride hailing as popularised taxi or private hire as a travel option.



Based on 4,113 entries (all users , multiple response possible)

# 4 Attitudes towards alternative transport options

# 4.1 Introduction

## Attitudes towards alternative transport options

This chapter considers attitudes towards alternative transport options.  The analysis presented includes the full sample of respondents from both non-business and business users.  The sample size is 4,569 respondents, although not all respondents answered every question.

The chapter provides information about:

- Consideration and use of alternative transport
- Electric vehicle use
- Plug-in hybrid use
- Membership of car clubs

**“New entrants in to the transportation market are using technology as the primary function of their business. In the long term this is disrupting the market” (Avis Budget Group, 2018)“**

**“Increasing the number of alternatively fuelled vehicles on the fleet will be slow. However hybrids, especially plug-in hybrids, will grow exponentially” (Enterprise, 2018)**

**“Connected cars will allow for a more dispersed network, less consolidation. There will be incremental demand as there is a shift from ownership to usership” (Avis Budget Group, 2018)**

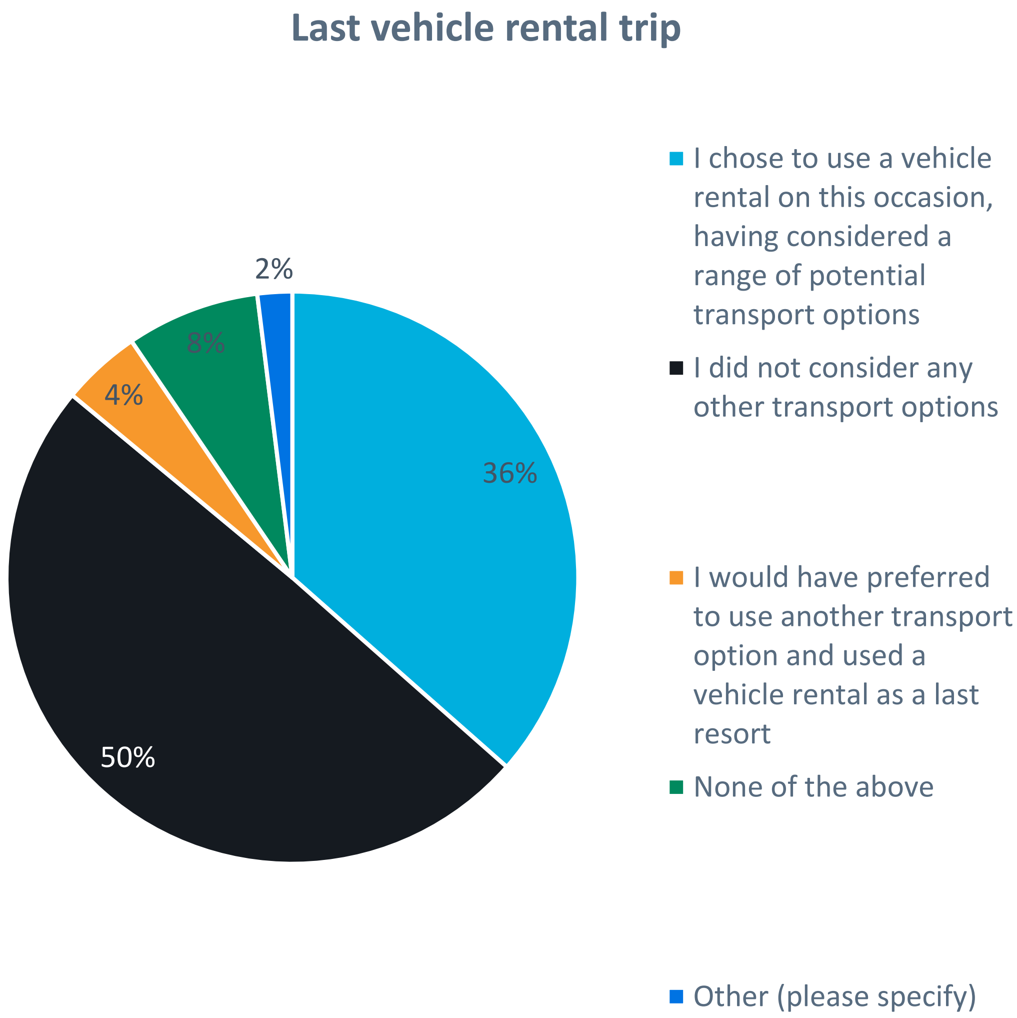
# 4.2 Consideration and use of alternative transport

Business respondents were asked to what extent they considered transport alternatives to hiring a vehicle for their travel needs. Respondents could only pick one multiple-choice answer.

In 2018 half of respondents answered that they did not consider any other transport options. This is a significant increase from just under a third (30%) of respondents who answered this in 2015.

In 2015 the most popular answer – with 64% - was that respondents chose vehicle hire on that occasion after considering other transport options deeming them less suitable. Only 36% gave a similar answer in 2018.

A similar proportion of respondents - 5% in 2015 and 4% in 2018, would have preferred to use another transport option and used a rental vehicle as a last resort.



Based on 915 valid entries (Note this question was only asked to Business users)

# 4.3 Electric vehicle use

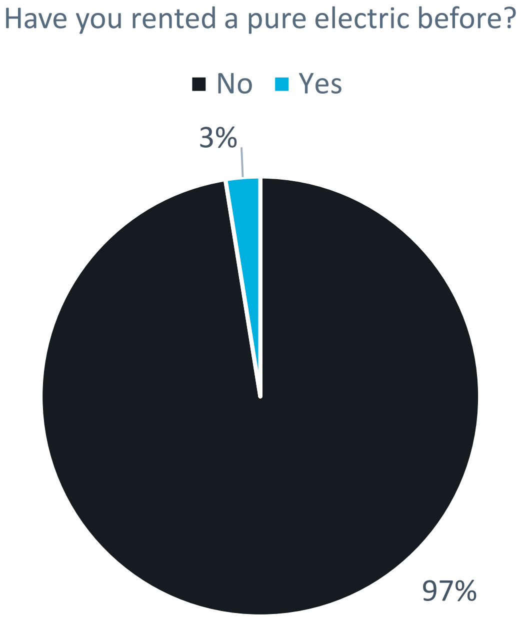
Respondents were asked whether they had rented a pure electric vehicle previously. The follow up question to those who had not previously rented a pure electric vehicle was whether they would try one if the price was the same as a petrol or diesel vehicle.

Only 3% of respondents had previously used a pure electric vehicle.

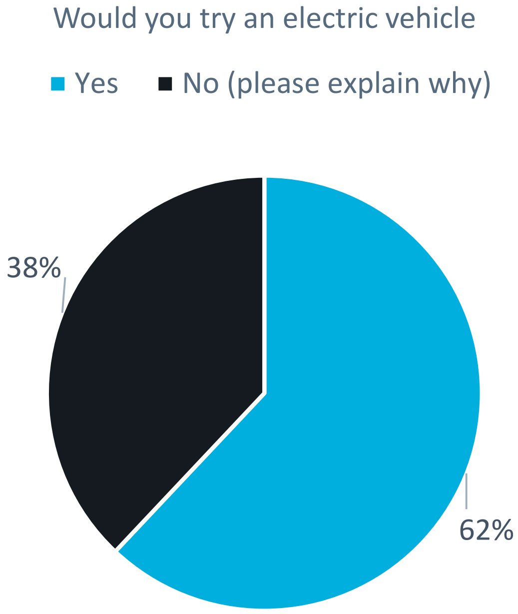
Of those who had previously not rented 62% would consider renting an electric vehicle – an increase on 2015 when 54% said yes.

**"Until the UK network of charging infrastructure is more established it is difficult to prepare as customers still want to do long journeys. When charging infrastructure is more widely available the fleet mix will change dramatically" (Thrifty, 2018)**

**"The technology is not an issue to integrate on the fleet; consumer adoption is the key to alternative fuels" (Enterprise, 2018)**



based on 3,738 valid entries (all users)



based on 3,634 valid entries (all users)

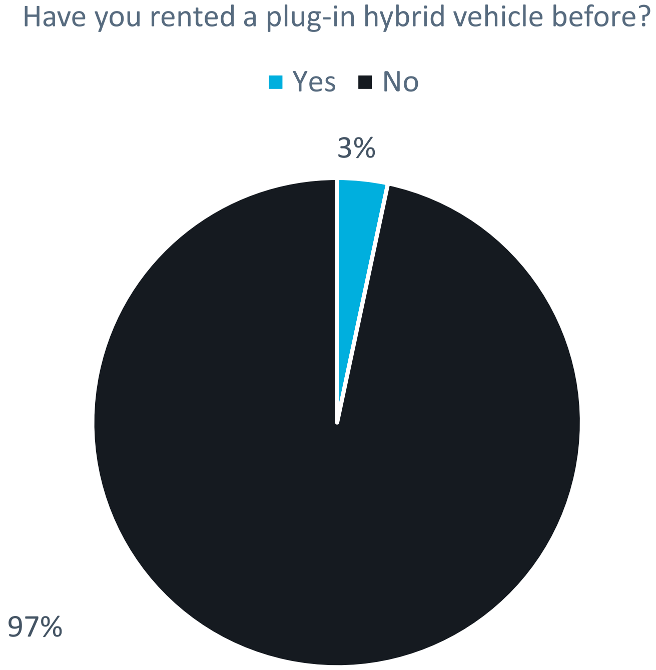
## 4.3 Plug-in hybrid use

Respondents were asked whether they had rented a plug-in hybrid vehicle previously. The follow up question to those who had not previously rented a plug-in hybrid vehicle was whether they would try one if the price was the same as a petrol or diesel vehicle.

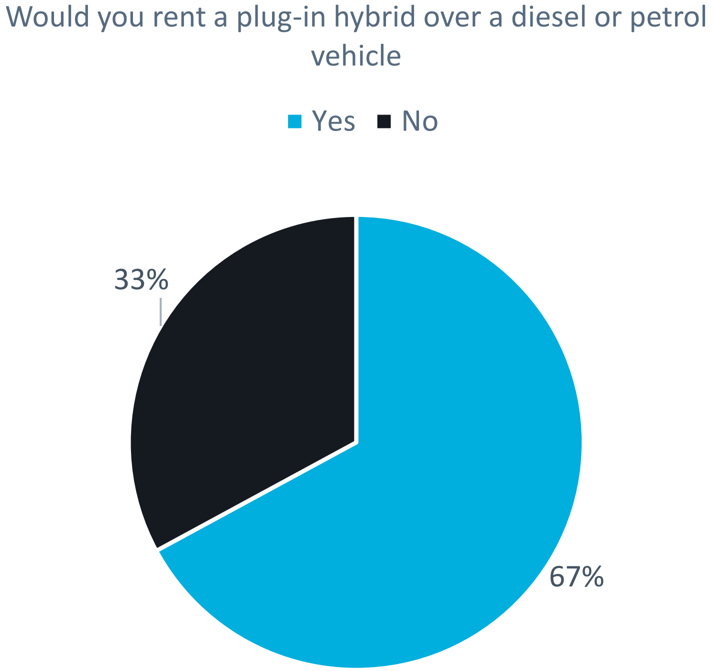
Only 3% of respondents had previously used a plug-in hybrid vehicle.

Of those who had previously not rented a plug-in hybrid, 67% would consider renting such a vehicle if it was the same cost as a petrol or diesel vehicle – a slightly higher proportion than those that would try electric.

> **"Over the last two years, more hybrids and EVs have been brought on to the fleet. Although customers say they want access to EVs, they do not want to pay a premium for the vehicles" (Avis Budget Group, 2018)**



based on 3,717 valid entries (all users)



based on 3,595 valid entries (all users)

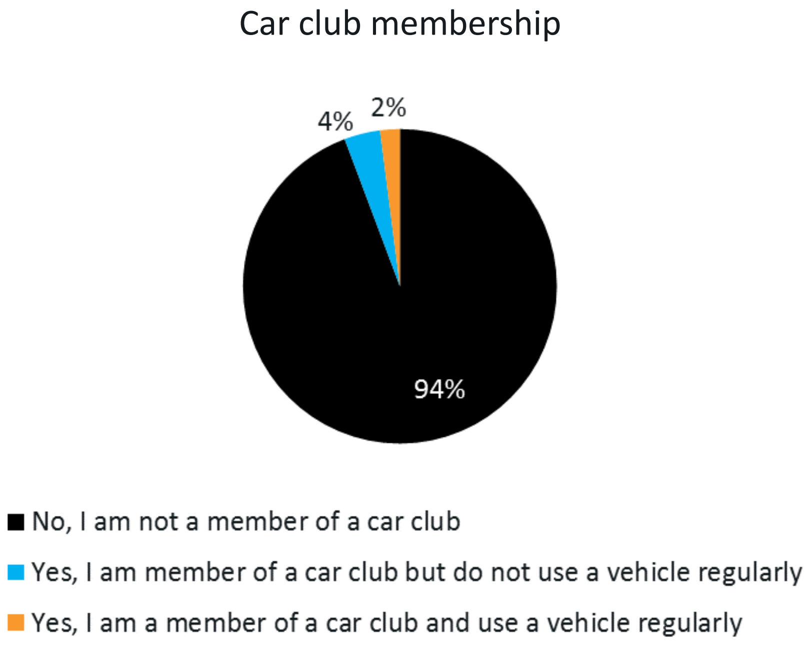
# 4.4 Membership of car club

Membership and usage of other on street car clubs such as Zipcar or DriveNow among respondents is 6%, this compares with 0.75% of the UK population with a driving licence. Therefore car rental users are eight times more likely to be a car club member than the average UK driving licence holder.

Only 1% of respondents were members of a peer-to-peer car club – where car owners rent their vehicle to others for a fee.

> **"PHEVs are a valuable stepping stone and have more use cases in a car club [Zipcar]. The challenge to use EVs is charging infrastructure, this would result in additional costs as vehicles would need to be redistributed for charging" (Avis Budget Group, 2018)**

> **"The next five years is to be the most revolutionary period in transport due to integrated transport solutions" (Enterprise, 2018)**



based on 3,562 valid entries (all users)

based on 3,666 valid entries (all users)

# 4.5 Frequency of usage of other transport modes

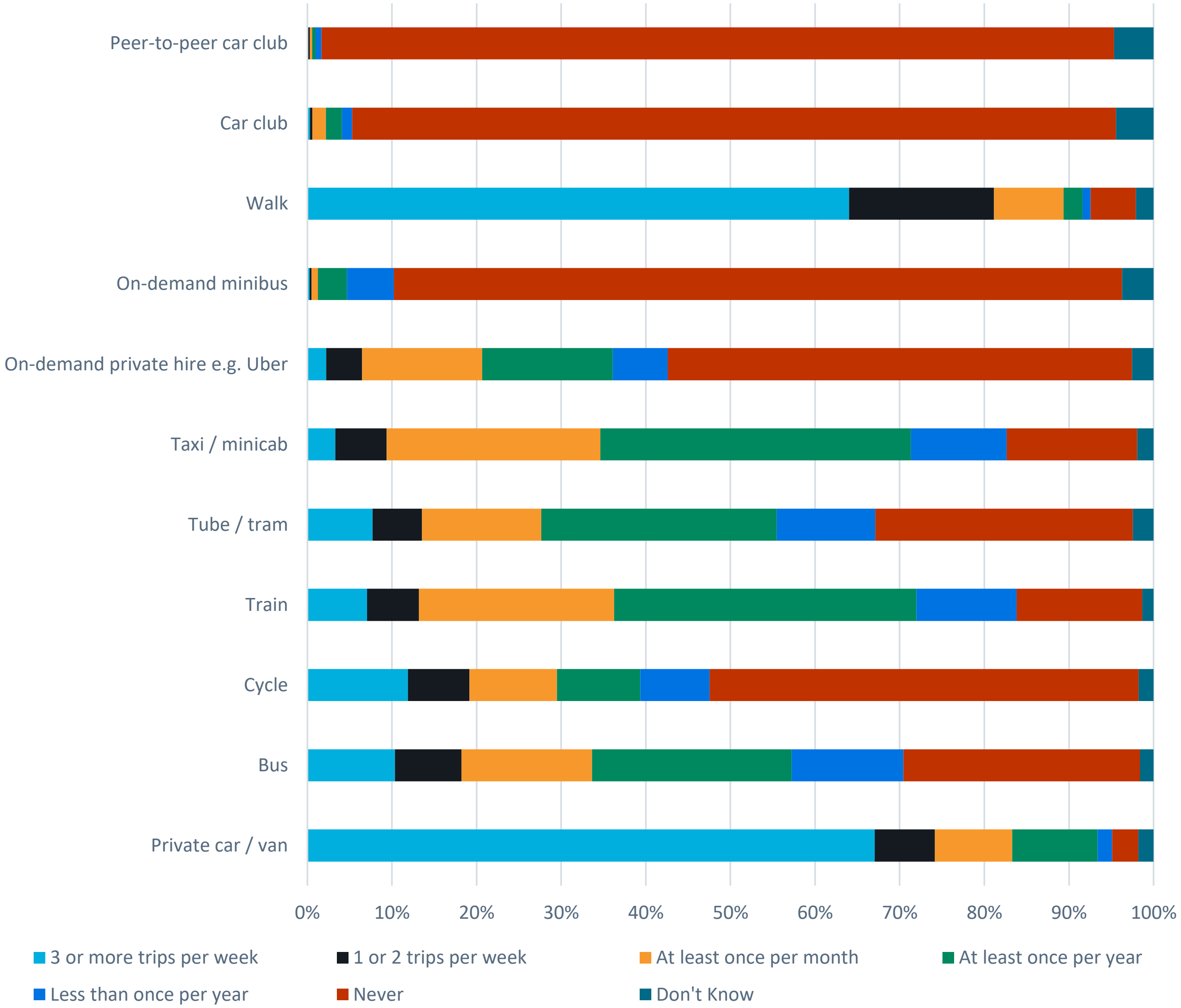
Among respondents private motorised transport dominates modes used. More than two-thirds of respondents said they travelled by private car or van more than three times a week.

Walking is the second most popular mode. Just under two-thirds make three or more walking trips a week.

Respondents are more likely to cycle three or more times per week than they are to use rail or bus.

Travel by public transport and by active travel is relatively low. Only 18% use the bus once or more a week. For rail: only 13% travel once or more a week by train and 14% once or more a week by tube or train.

Frequency of use of different transport modes over an average week



# 5 Non-business renters

# 5.1 Introduction

## Non-business renters

This chapter considers non-business renters. The analysis presented includes the sample of non-business users, excluding business users. The sample size is 4,095 respondents, although not all respondents answered every question.

The chapter provides information about:

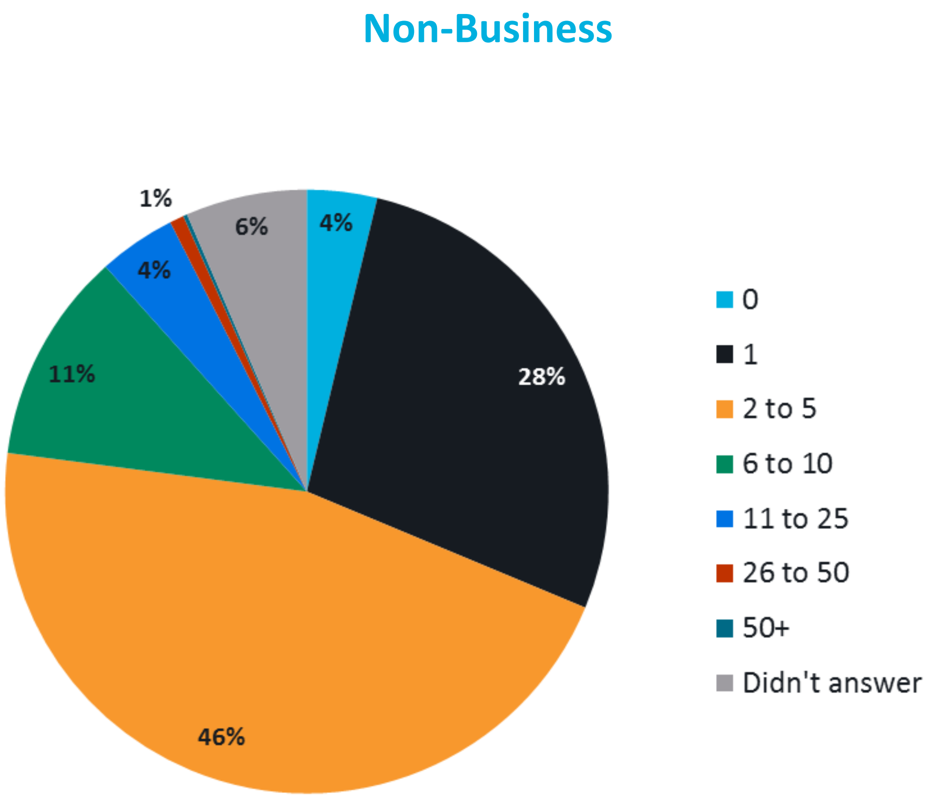
- Frequency of rentals
- Car ownership
- Households with no cars
- Car attitudes
- Impacts on travel behavior

# 5.2 Frequency of rentals

Nearly half of all non-business respondents hired a rental vehicle between two and five times in the year.

Over a quarter hired a rental vehicle only once in the past year. By comparison only 11% of business user respondents used car rental service only once in the past year.

Overall non-business respondents rented vehicles less frequently than business respondents. The average number of rentals for non-business users is 4.3 rentals per year.



Based on 4,095 entries (Non-business users)

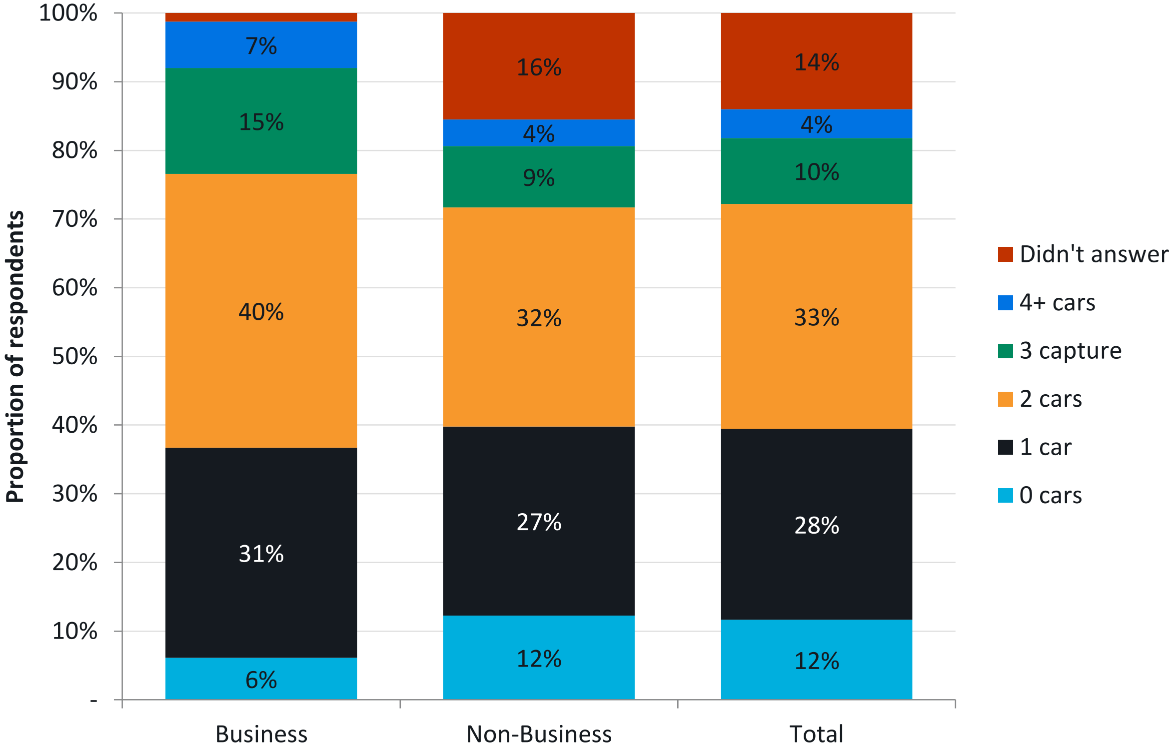
# 5.3 Car ownership

Among non-business respondents the proportion of zero car households was more than double that of business respondents – 14% vs 6%. However, this is a significant drop from the 31% of respondents in 2015. The average proportion of zero-car households in England is 24% according to the 2017 National Travel Survey (9902)

Over a third of non-business respondents own two cars – 38%. 40% of business respondents owned two cars.

Another third of non-business respondents own one car (33%) – slightly higher than their business user peers with 31%. The England average is 42%.

The average household in England owns 1.21 cars. The average among non-business users was 1.86 per household.



Based on 4,569 entries (474 Business users, 4,095 Non-business users)

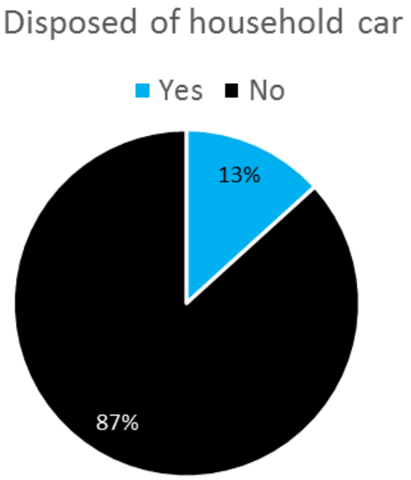
# 5.3 Car ownership

13% of respondents have disposed of a household car in the past 12 months which has not been replaced, this is comparable to the 2015 response of 14%.

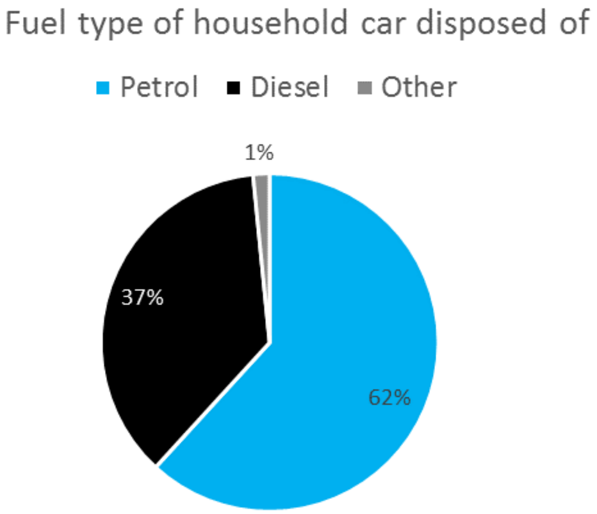
Of the vehicles which have been disposed of and not replaced, 62% were petrol vehicles, with 37% diesel vehicles.

The most common reasons for disposing of a vehicle included:

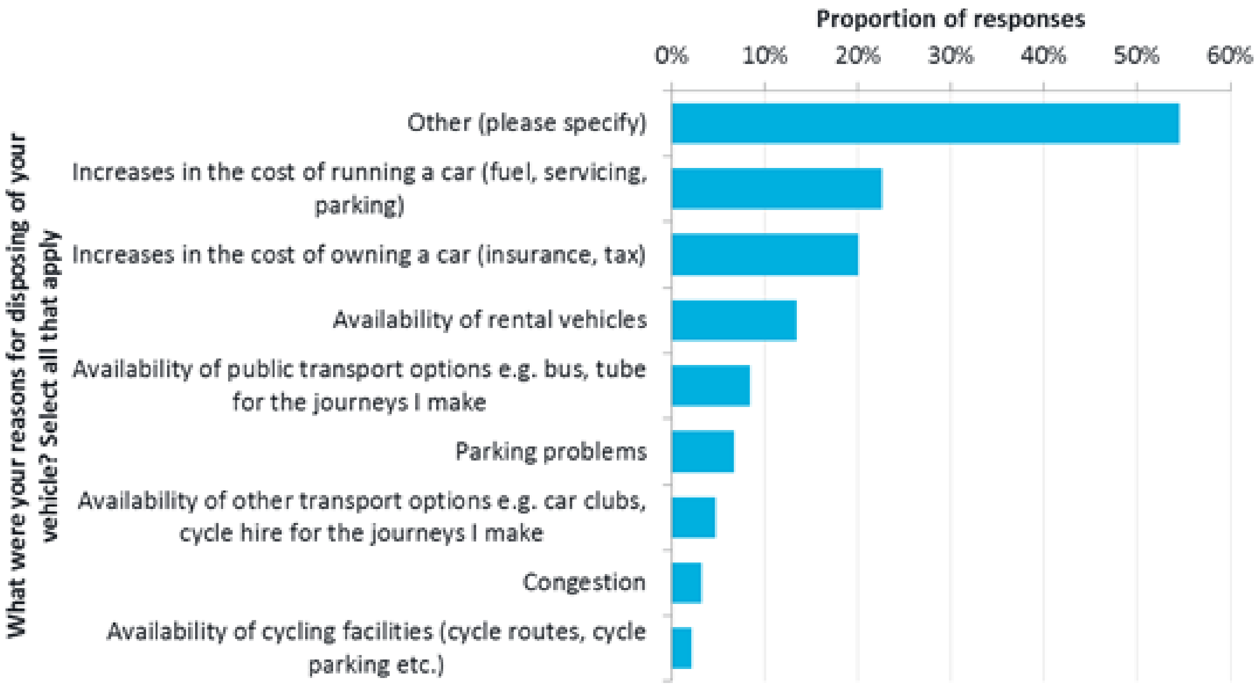
- Increases in costs of running a vehicle (23%)
- Increases in the costs of owning a vehicle (20%)
- Availability of rental vehicles (13%)



Based on 3,092 entries (Non-business users)



Based on 3,092 entries (Non-business users)



Based on 508 entries (Non-business users)

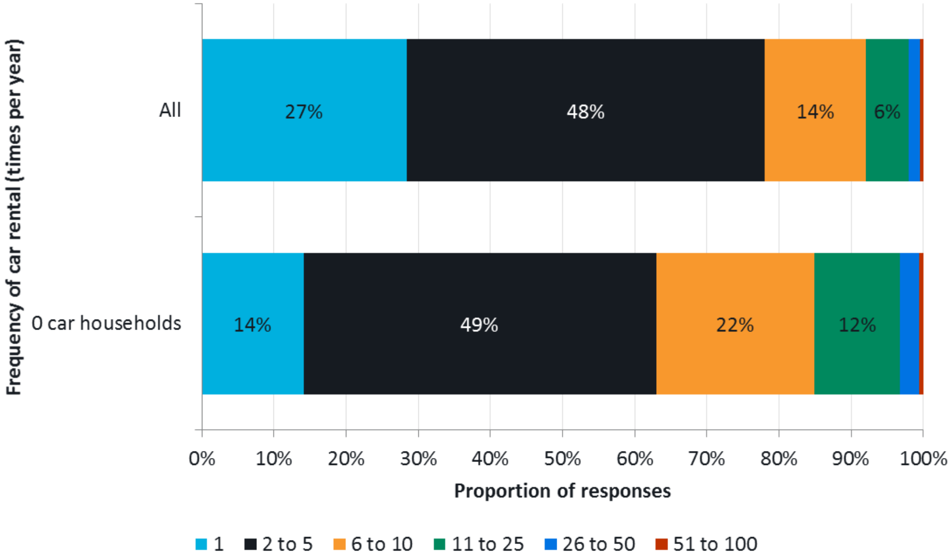
# 5.4 Households with no cars

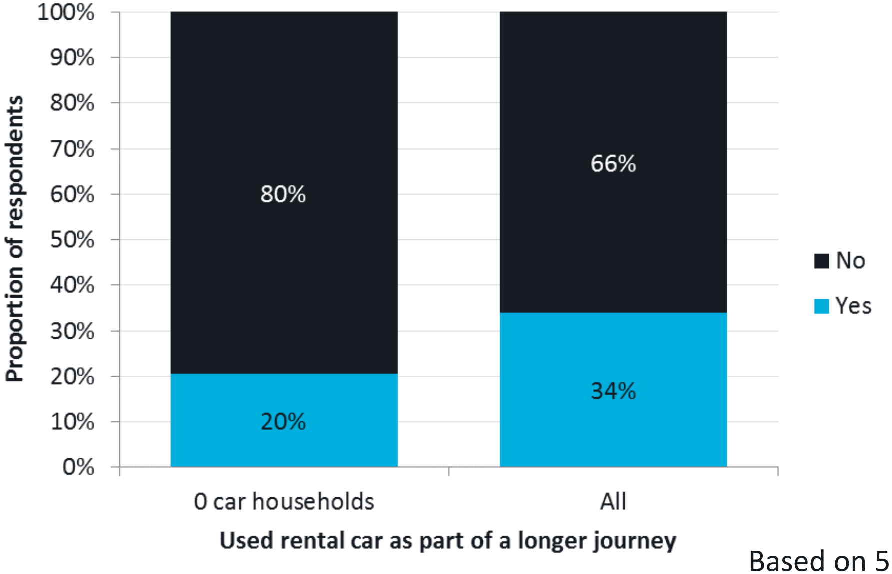
14% of non-business customers surveyed reported there was no primary vehicle at their household i.e. no cars.

The frequency of rental car use was higher for these customers than the total sample, with 37% of these customers renting a car more than 5 times per year compared to 21% of the total sample.

20% of customers without a primary vehicle used a rental car as part of a multi-modal journey, compared to 34% of all customers. This implies that customers without a primary vehicle use their rental car for their full journey from A to B.

Customers without a primary vehicle tended to rent their vehicle for a slightly longer duration when compared to all passengers.





Based on 532 (Households with no cars)

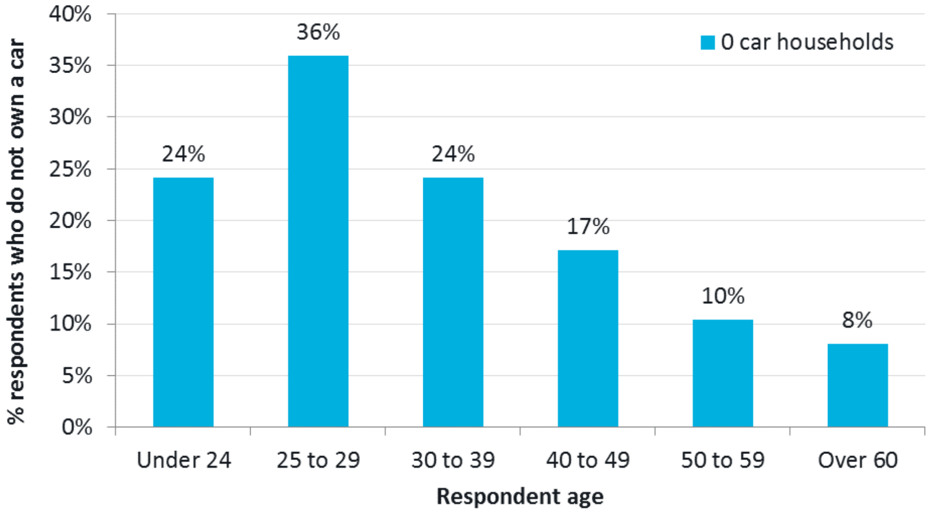
## 5.4 Households with no cars

80% of customers renting a car with no primary vehicle were travelling without children, compared to 83% when looking at the total sample. With the remaining customers travelling in groups including children.

Customers with no primary vehicle at their household tended to be the younger customers in the sample.

Customers with no primary vehicle were more likely to pick up their rental car at an inner city depot compared to the full sample, and less likely to pick up their rental from a transport hub e.g. airport, train station. This ties in with the earlier finding that these customers were less likely to be doing an intermodal journey.

Combining with the age demographic of these customers it also suggests customers with no primary vehicle are younger customers living in urban areas/cities.



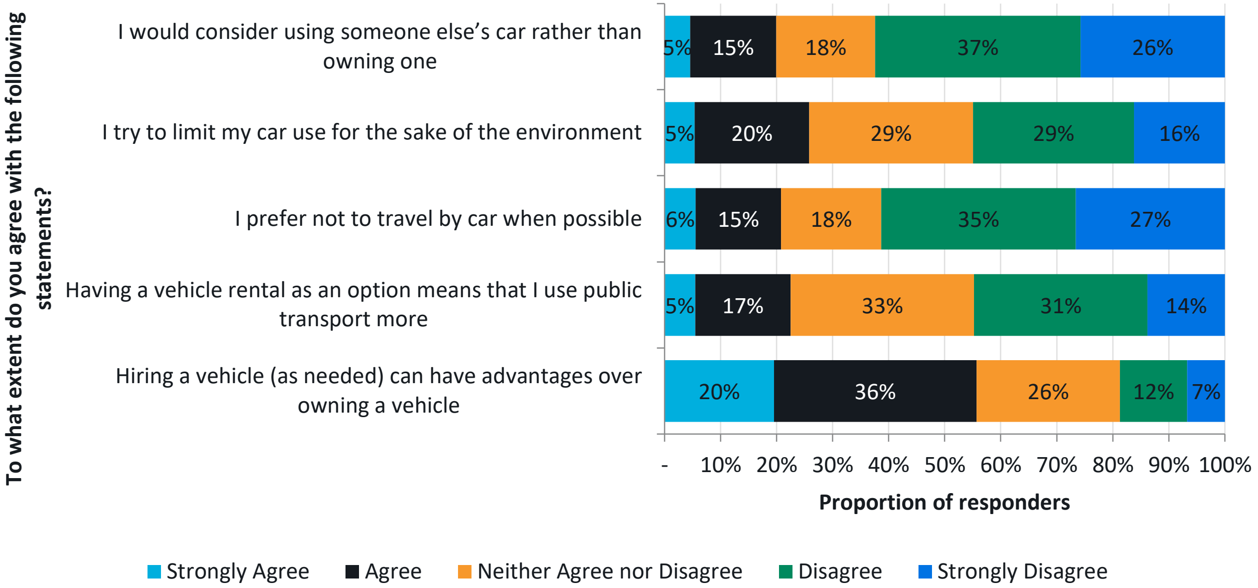
| Rental pick up location | Customers with no primary vehicle | All customers |
|---|---|---|
| Transport hub e.g. airport, train station | 37% | 60% |
| Inner city depot | 34% | 19% |
| Suburban depot | 21% | 15% |
| Rural depot | 1% | 2% |
| Vehicle was delivered to home or work | 2% | 1% |
| Other | 5% | 3% |

## 5.5 Car Attitude

Respondents were most positive towards the advantages of hiring a vehicle rather than owning a vehicle (56% respondents agree or strongly agree).

Respondents were less positive towards using somebody else's car (i.e. peer to peer) with 62% of respondents either disagreeing or strongly disagreeing.

Respondents were also more likely to disagree than agree with the statement 'I prefer not to travel by car where possible'



Based on 3,361 entries (Non-business users)

# 5.6 Impacts on travel behaviour

Respondents were asked the impact that renting vehicles had on their longer term travel behaviour.

The impacts which the survey reported are varied and include both more positive and negative effects (which can be interpreted differently, depending on particular viewpoints).

The following responses support a reduction in car ownership and use, although in some cases the equivalent increases had a higher response rate:

- A delay in purchasing a private vehicle (8% of respondents)
- Driving less (5% of respondents)
- Disposing of a private vehicle (3% of respondents)

| **Has renting a vehicle led to any of the following? Please select all that apply** | **Proportion of responses (responders could choose more than one)** |
|---|---|
| **Delayed purchasing a vehicle** | 8% |
| **Have driven more** | 8% |
| **Purchased a vehicle** | 5% |
| **Disposed of a vehicle** | 3% |
| **Changed vehicle** | 4% |
| **Have driven less** | 5% |
| **Other (please specify)** | 2% |

Based on 3,818 entries (Non-business users)

# 6 Business renters

# 6.1 Introduction

## Business renters

This chapter considers business renters. The analysis presented includes the full sample of business users, excluding non-business users. The sample size includes 474 respondents who have booked using a corporate account and 922 respondents who travelled for business purposes. Not all respondents answered every question.

The chapter provides information about:

- Size of organization
- Primary office location
- Business travel characteristics
- Attitudes towards business travel

> **“Business customers are most concerned with vehicle efficiency and diesels are still the most efficient vehicles available. Therefore diesel remains the main fuel type on the fleet at the moment” (Arnold Clark, 2018)**

## 6.2 Size of organisation

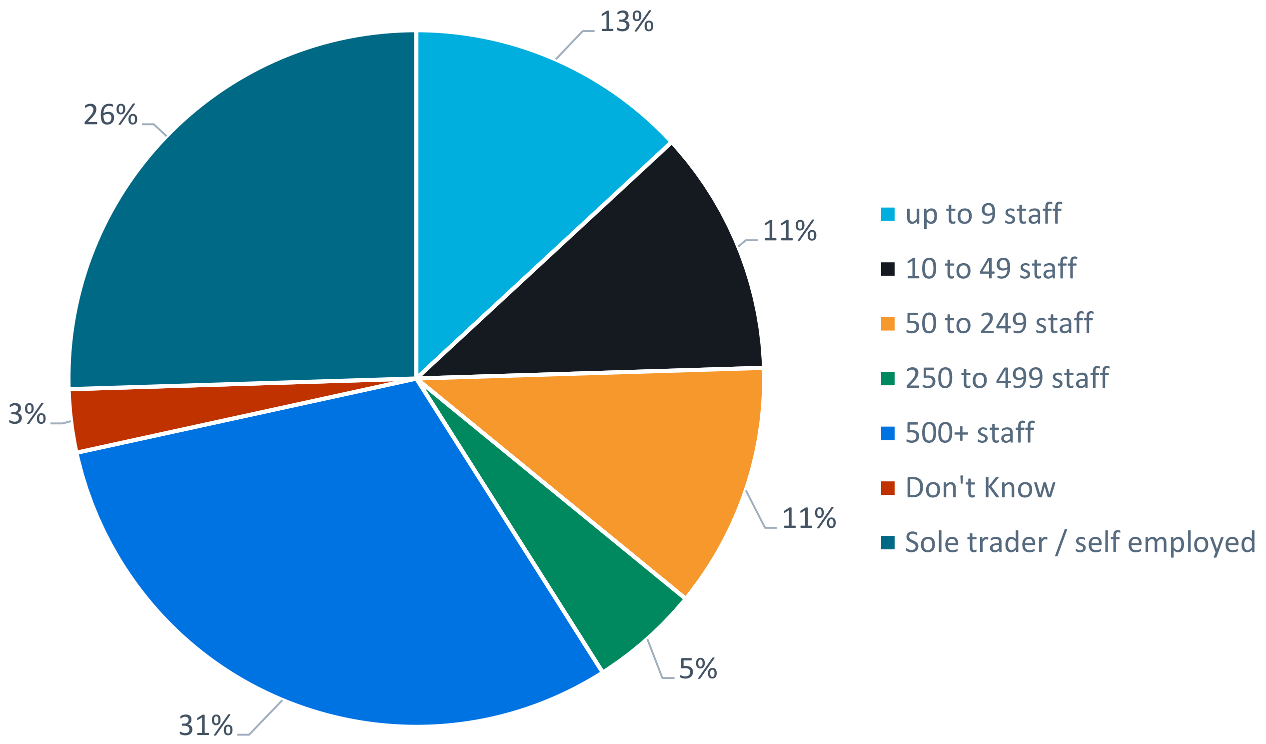
The survey of business users covered a wide range of industry sizes in terms of number of employees.

The greatest proportion of responses was from large businesses with more than 500 employees.

The second largest group of respondents was sole traders, or self employed individuals, with 26% of responses.

The split of business sizes is broadly similar in the 2018 survey when compared with the 2015 survey.

Employer size of survey participants



Based on 922 valid entries (Business users)

## 6.3 Primary office locations

The survey also engaged with respondents from across the United Kingdom with respondents located in England, Wales, Scotland and Northern Ireland.

The top locations for businesses responding to the survey include Greater London, Glasgow City and the south eastern counties of Berkshire and Hampshire.

The 2015 report compared locations at a government office region level and while not directly comparable, similarly had the most office locations in Greater London at 19.4%.

| | County | % |
|---|---|---|
| 1 | Greater London | 14.81% |
| 2 | Glasgow City | 4.03% |
| 3 | Berkshire | 3.49% |
| 4 | Hampshire | 3.16% |
| 5 | Aberdeenshire | 2.83% |
| 6 | West Midlands | 2.83% |
| 7 | Kent | 2.40% |
| 8 | County Antrim | 2.29% |
| 9 | Hertfordshire | 2.29% |
| 10 | Lancashire | 2.29% |

| | County | % |
|---|---|---|
| 11 | Buckinghamshire | 2.18% |
| 12 | Surrey | 2.18% |
| 13 | South Yorkshire | 2.07% |
| 14 | Essex | 1.96% |
| 15 | Edinburgh, City of | 1.74% |
| 16 | Oxfordshire | 1.74% |
| 17 | Bristol | 1.63% |
| 18 | Greater Manchester | 1.63% |
| 19 | Moray | 1.63% |
| 20 | Derbyshire | 1.53% |

Based on 918 valid entries (Business users)

# 6.4 Business travel characteristics

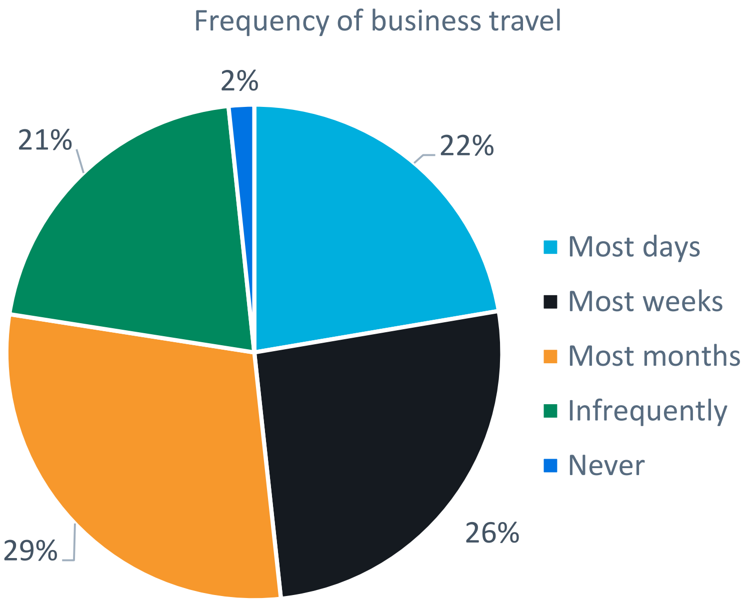
Considering frequency of travelling for work, almost half of all respondents travelled at least most weeks (48%), this is a slightly higher proportion than in 2015 (43%).

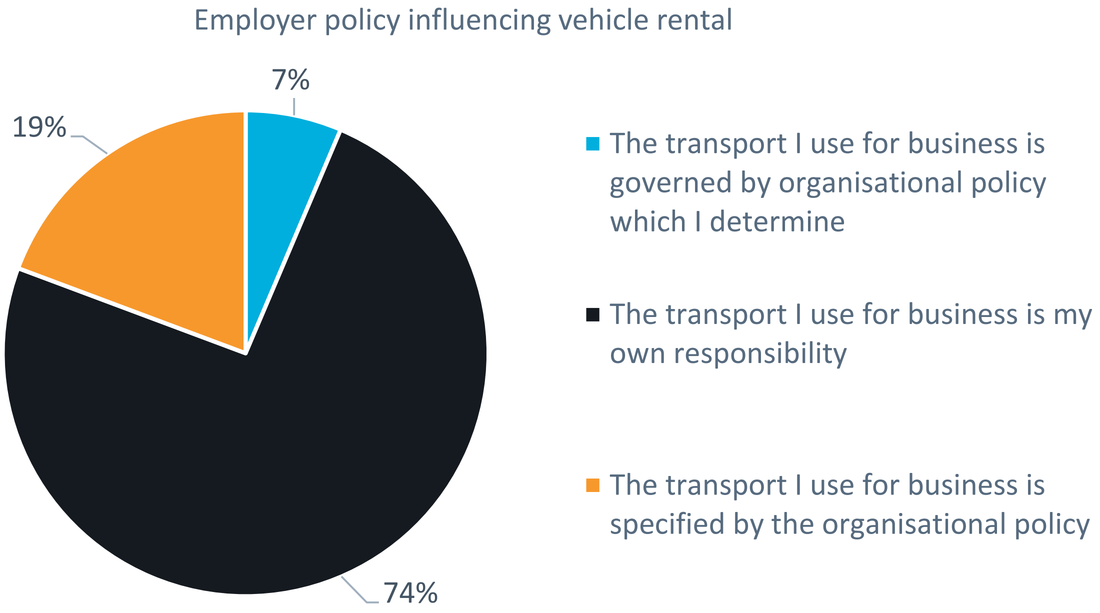
This year the question probed in more detail, with almost a quarter (22%) of respondents travelling most days for business.

For most travellers the transport they use for business is their own responsibility (74%), this is similar to responses in 2015 (72%).

Other respondents are obliged to travel according to a company travel policy. Almost one in ten respondents are the individual who sets that policy, a similar percentage to the 2015 survey.

**"There are a lot of one-day hires for business which will probably stop as people use technology more to enable remote working" (Arnold Clark, 2018)**





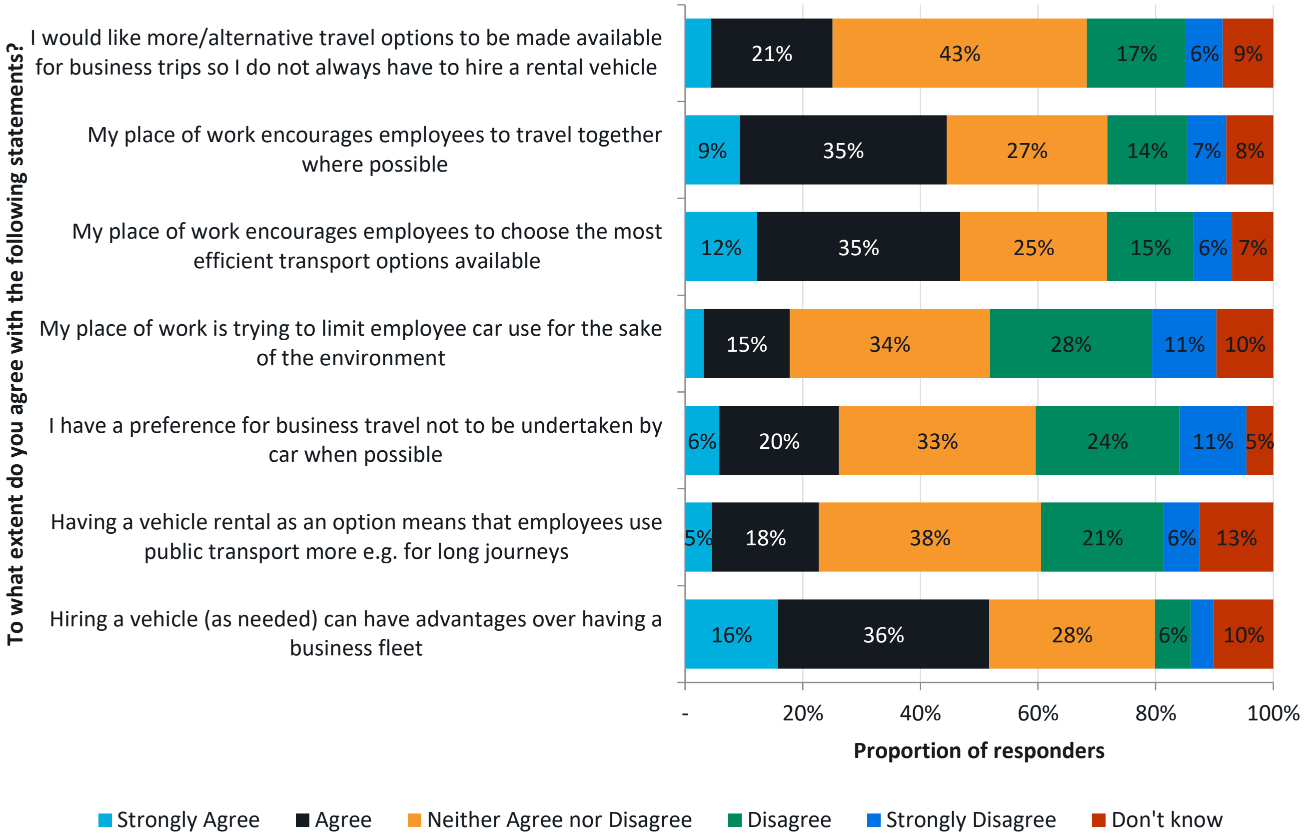
Based on 922 valid entries (Business users)

# 6.5 Attitude towards business travel

Respondents were asked their attitudes to business travel and asked to agree or disagree with a range of statements.

Business travellers were most likely to agree that ‘hiring a vehicle (as needed) can have advantages over a business fleet’ (52% agree or strongly agree) and ‘my place of work encourages employees to chose the most efficient transport options available’ (47% agree or disagree).

Business travellers were least likely to agree that ‘my workplace is trying to limit employee car use for the sake of the environment (39% disagree or strongly disagree) and ‘I have a preference for business travel not to be undertaken by car where possible’ (36% disagree or strongly disagree).



Based on 922 valid entries (Business users)

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