

PRESS RELEASE

GoGet Develops One-Way Car Hire Platform In Bid For Corporate Market

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Car sharing company GoGet has developed a system to allow one-way car hire and is trialling the service at airports in a bid to attract business customers.

GoGet users are currently required to return the vehicle to the same location they picked it up from. The new service, called Oneway, will allow customers to pick up the vehicle from, say, the airport and leave it in the central business district.

GoGet chief executive Tristan Sender says Oneway will start as an expansion to GoGet's car sharing offering at Sydney, Melbourne and Brisbane airports.

"The point-to-point service we think is a great extension to our current model," Sender says. "It's the first start to enabling business to move away from their own pool cars and use car share as an alternative or a top-up to their existing fleet."

Sender says the GoGet network is close to 1900 vehicles and 65,000 members in NSW, Victoria, Queensland and South Australia.

The start-up has been pushing into the business market by placing vehicles close to businesses and talking to government and corporate customers about the benefits. GoGet's pitch is that vehicles can either replace the company fleet, or top it up in times of peak usage, and there are no set-up or maintenance costs.

As a result, Sender says business usage has grown rapidly and is now more than 20 per cent of all usage.

KEY TO INNOVATION

This is an Australian first, though other car sharing companies around the world already offer one-way or even free-floating hire options.

However, Sender says the technology was developed in house by the seven-person team in the Sydney office, internally called Fleetcutter.

The technology challenge is quite significant because it requires everything from telematics (fleet management) to the booking interface to be recalibrated, since the system doesn't know in advance where the car will be.

While normal GoGet cars can be booked in advance, Oneway users need to wait until half an hour before they need it. When they drop the car off, it will automatically become available in the new location.

Sender believes developing core technology in house is key to innovation.

"It means we can be nimble and change and develop products the way we want and adopt the things that our customers want and are specific to the Australian or even the Sydney market," Sender says. "Having in-house development allows you to move quickly, it allows you to adapt and to be more specific about the market, rather than buying an off-the-shelf product that fits with lots of other users."

Sender says GoGet will continue to develop the functionality of Oneway as it moves from internal testing to user testing and gets feedback from customers and data on usage.

Meanwhile, GoGet is also working with Vinayak Dixit, the deputy director at the University of New South Wales' Research Centre for Integrated Transport Innovation, on research into self-driving vehicles. GoGet's support includes data, access to cars, some funds and access to developers' time.

"We're always looking to the future and at what our users will want in the future rather than what they want right now," Sender says. "If you're looking at a driverless car on a Sydney street that's probably some time away, but we're close to having a test vehicle and you're already seeing that overseas."

COMPETITORS AND CHALLENGES

GoGet was founded in 2003 by Nic Lowe and Bruce Jeffreys, who are still directors of the business.

It is the clear market leader in car sharing in Australia, but new models are emerging.

For example, DriveMyCar and Car Next Door are a peer-to-peer car sharing networks that let individuals rent out their cars for extra income, in the same way that Airbnb lets people make money from their spare bed.

Since 2010, DriveMyCar has enabled more than 4000 rentals, and today has a fleet of more than 300 cars and nearly 11,000 renters using the platform. Car Next Door reports a higher volume, with 1500 rentals every month.

However, the companies serve different market segments: Car Next Door enables rentals as short as one hour, while DriveMyCar competes with traditional car hire companies by enable car rentals between seven and 365 days. Car Next Door operates in Sydney and Melbourne, while DriveMyCar has national coverage.

Car Next Door is a start-up based at the Fishburners co-working space in Ultimo, Sydney. DriveMyCar is owned by Collaborate, a company listed on the Australian Securities Exchange, after an all-scrip acquisition in February 2015.

Meanwhile, two young entrepreneurs have just launched Carhood, a start-up that lets you drive your car to the airport and then rent it out, saving hundreds of dollars in parking fees and even earning a surplus.

GoGet's Sender says he welcomes the entry of new car sharing companies to the market.

"The more car share the better because there are different models that work for different people," Sender says. "Our competition is the private car or the pool car, not other car sharing companies."

City of Sydney councillor Christine Forster has called for a moratorium on new car sharing spaces, raising concerns that they are taking away on-street parking for residents.

However, Sender says car sharing actually frees up space for resident parking.

"We believe that what we're doing is helping residents to not own their own vehicle, our product makes it possible for people to give up their car and use car sharing instead," Sender says. "We've taken over 50km of parking off the streets by people deferring purchasing a car."

Forster also says ratepayers should get a commercial return for providing the space to private companies and that the market remains open to potential competitors to GoGet, such as Hertz, Zipcar and Car2Go.

GoGet's Sender says he welcomes councils should support all car sharing companies.

"We take up something like 1 per cent of parking across Australia so there's plenty of room for more car sharing," Sender says. "Council and government should encourage all types of car sharing and not have caps [on parking] for car sharing."

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