

A Work Project, presented as part of the requirements for the Award of a Master's degree in
Management from the Nova School of Business and Economics.

SME COMPETITIVENESS AND INTERNATIONALIZATION FIELD LAB

INTERNATIONALIZATION PLAN FOR WESHARE

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Abstract (group part)

This work project aims to develop an internationalization strategy for WeShare following an IMS process and to identify the most suitable European market. The methodology is twofold: First, relevant literature on the topic of IMS was reviewed. Second, the literature was complemented with findings from interviews, strategic analysis, as well as a country ranking and cluster analysis. The findings revealed France to be the most attractive market for WeShare to expand to with Paris as the first city to operate in. The work, however, contains various limitations and thus, leaves room for a more in-depth analysis.

Abstract (individual part)

This section is divided into two parts: firstly, a literature review takes up the subject of International Market Selection for SMEs followed by an in-depth market analysis of the car-sharing market in Switzerland. The ultimate objective of this examination was to select the most attractive target market for internationalizing the German car-sharing corporation WeShare. Although the Swiss country is characterized by appealing demographic and infrastructural indicators, the market entry for free-floating car-sharing schemes is impeded by municipal authorities. Local endeavors, to seek rather domestic mobility partnerships than incentivizing established foreign companies to launch their services, limit the current market potential.

Keywords: Internationalization, Market Selection, Entry Strategy, Strategic Analysis, International Market Selection, Country Clustering, Country Ranking, In-depth analysis, Car-sharing, Switzerland

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1. Introduction

Since the 1950s, national economies are subject to a growing interdependence which led to an increase in the number of exports and firms entering foreign markets (Whitley 1994). Since then, firms transformed to multinational conglomerates, a phenomenon which ignited the interest in internationalization in academia (Alon 2004, Buckley and Ghauri 1999, Ozturk, Joiner and Cavusgil 2015, Papadopoulos and Malhotra 2007). The internationalization of firms describes the process of adapting to a changing business environment in the context of successive transformations by substituting a potentially small and saturated domestic market for a foreign market and is presumed to arise from interactions with a globalized environment (Rask, Strandkov and Håkonsson 2008, Strandkov 1995). Still today, internationalization is regarded as a necessary, yet indispensable, strategic option, and not only multinational companies, but businesses of every size see the need to move operations and services abroad to remain competitive (Jansson and Sandberg 2008, Melin 1992).

Besides ongoing globalization of firms, strategic shifts in the automotive industry can be acknowledged. Wise and Baumgartner (2000) noted the transformation from achieving competitive advantage through product-oriented economies of scale towards service competition. This so-called servitization focusing on intangible goods like skills and knowledge became central in creating customer value and was popular already in the late 1990s, especially in the automotive industry due to disruptive changes and fast-changing consumer needs (Genzlinger, Zejnilovic and Bustinza 2020). To conquer these developments, new technologies and innovative business models emerged, and a gradual shift towards new mobility alternatives can be observed. The latter mostly results from an increasing trend towards emission-free means of transportation and overall, heightened awareness for sustainability (Bormann, et al. 2018). As such, German original equipment manufacturers (OEMs) realized the need to adjust their traditional business model based on internal combustion engines (ICE) towards environmentally and flexible offerings. WeShare, a German free-floating car-sharing provider, belongs to the

Volkswagen (VW) group and identifies itself through its unique selling point (USP) with a fully electrical vehicle fleet and a free-floating carsharing business model. Currently, the firm is present in Berlin and Hamburg but plans to expand its services to other European countries. WeShare's expansion plans, on the one hand, stem from push factors such as a highly competitive domestic market with partly unfavourable regulatory conditions and, on the other hand, pull factors such as the attractiveness of foreign markets for free-floating carsharing services.

This work project uses research on international market selection (IMS) and specific company data from WeShare to develop a profound internationalization strategy. Close collaboration with WeShare aided in achieving this thesis's goal to identify a suitable European market for WeShare to expand to. Thus, it is essential to highlight that the IMS is tailored to WeShare's strategy and USP. A combination of a country ranking and clustering analysis using Excel and SPSS aided in analysing a data set consisting of relevant micro and macro indicators and allowed to identify five potentially interesting markets for WeShare. A qualitative in-depth country analysis follows the initial screening and quantitative analysis to shed light on specific information that are of relevance but were not considered in the foregoing analysis. After identifying France as the most attractive market for WeShare's expansion, the respective entry mode will be defined. Hence, the different entry modes will be compared and analysed according to WeShare's needs. After choosing a suitable entry strategy, the individual marketing plan and the financial forecast will be explained, providing information about WeShare's marketing strategy and financial performance in the foreign market.

In the end, a conclusion will summarize the results and take into consideration the overall limitations of the analysis. Furthermore, an outlook for further research and potential follow-up projects will conclude the work.

2. Research Methods

In general, the thesis is a composition of qualitative and quantitative datasets to ensure a broad and well-founded analysis. The qualitative part consists of interviews with the business development lead at WeShare, Fabian Krohn. He served as a close contact person and expert to provide valuable information about the company structure, goals, mission, vision, and internationalization plans. Studies have shown that qualitative expert interviews aid in understanding individual perspectives, visions, and experiences wherefore, this method was presumed to be of use for this project (Patton 1990). Overall, three interviews were conducted semi-structured, meaning an interview outline was prepared beforehand but enhanced by random questions that became relevant during the interview. The open-ended questions allow to elaborate further and enable more depth and richness of the responses (Bryman 2008).

The initial interview outline was divided into critical subsections covering: the company, management, financials, market, and internationalization plans. Overall, in the first interview, 26 questions were asked. The interviews were informal and narrative and conducted via Zoom, given the current Covid-19 pandemic. The Zoom format ensured a personal interaction and allowed to record the interviews after acquiring permission. A digital recording increases reliability and transparency. Each interview lasted about 45-60 minutes and was transcribed verbatim subsequently. The interview transcripts can be found in Appendix A. In addition, a quantitative data analysis regarding the countries in the European Union (EU) was conducted. To do so, market indicators were defined, and data was collected for instance, by using the World Bank, World Economic Forum, and Eurostat. The data was analysed using a country ranking and country clustering procedure. The country ranking was done via Excel, whereas the SPSS software aided in clustering the data set. Subsequently, a country in-depth analysis provided more fundamental insights into the previously identified five countries of interest and aided in identifying the most attractive market for WeShare's expansion. Thereby, the paper is based on secondary data collection methods. The process will be explained in further detail in chapter 6.

3. Strategic Analysis of the Company's Situation

The following chapter will lay the ground to understand the WeShare organization, its business model, product portfolio, strategic focus, and competitive positioning. First, a brief overview of the firm profile and WeShare's management will shed light on the internal organization. Second, the product and service portfolio will be explained, and third, enhanced by analysing both VW's and WeShare's strategic focus. For that, academic frameworks such as Porter's generic strategies and others will be applied. Third, an industry and market analysis will provide the reader with an overview of the current state of the carsharing industry in Germany. Lastly, WeShare's motives for internationalization and the overall global readiness will be assessed according to firm- and country-specific advantages.

3.1 Firm Overview and Project Background

3.1.1 Firm Profile and Management

WeShare is a 100% electric and sustainability-focused free-floating carsharing provider operating in two German cities, namely Berlin and Hamburg. WeShare's vision is "to make every car shareable and emission-free" (Krohn 2021). WeShare translates this vision into practice with a non-ownership service model providing their customers the flexibility to book and return a car in any valid parking spot within WeShare's predefined operating areas. As such, WeShare's business model conveys to their customers the benefits of temporary car access by deliberating them from the burdens of a car ownership, such as maintenance and repairs. The benefits are enhanced with WeShare's CO₂-neutral electric vehicle (EV) fleet. The service was launched in Berlin in August 2018, and WeShare expanded its operations to Hamburg in February 2021 (WeShare 2021). The carsharing service belongs to the Urban Mobility International GmbH (UMI), the German OEM VW's subsidiary. VW operates as the parent company and provides necessary resources and ideas to realize UMI's mobility concept. With the concept, UMI aims to provide vehicle-on-demand (VOD) services and develop holistic mobility concepts to create greener, calmer, and more sustainable cities.

UMI has 85 employees from 45 different nationalities and is led by its Chief Executive Officer Phillip Reth, who is also the Head of VW Group Mobility, its Chief Financial Officer Frank Sadowski, and its Chief Operating Officer Joschi Jennermann. UMI's C-level management also includes a Chief Customer Officer and a Chief Human Resources (HR) Officer. UMI follows a "no ranks, no title" philosophy below the C-level by having a flat hierarchy and using a democratic and participative decision-making process. UMI owns full HR and hiring responsibility and independently manages procurement and IT processes. Nonetheless, VW is involved in major decisions, established a board of directors composed of VW managers, and put in place procedures for decisions requiring approval from the board of directors such as setting the yearly budget (Krohn 2021).

UMI's headquarter is in the centre of Berlin at VW's "We Campus". VW opened the We Campus in 2019 intending to offer ideal conditions for developing and testing new mobility services. In the future, the aim is to develop digital value-added services and mobility services that will be offered in the "Volkswagen We" ecosystem, with WeShare being part of their carsharing service. The We Campus brings together around 900 experts from VW and its leading technology partners, mainly product developers, software engineers, and UX designers. The digital ecosystem enables cross-functional and agile working modes by working in small teams of eight to ten people to enable personal and transparent information flow with hierarchy-free self-organisation (Volkswagen 2021).

3.1.2 Product/ Business Portfolio

In general, UMI aims to develop, offer, and bundle IT and platform-based VOD services of its parent company VW. As of September 2021, UMI's business portfolio consists of one service, its free-floating carsharing service WeShare. With WeShare, UMI offers a service that enables customers short-term access to electric VODs. The service meets the individual mobility needs of people not owning a car, by serving a convenient offering for occasions in which a car is practical, comfortable, and necessary. At the same time, the zero-emissions approach complements VW's efforts to offer sustainable products and services (Volkswagen Group 2021a). As of September 2021, the number of current WeShare users

amounts to 170.000 (Krohn 2021). In their B2C offering, WeShare provides everyone older than 21 years with a valid EU driving license for at least one year the service of renting an EV inside their business areas of Berlin (~150 km²) and Hamburg (~109 km²). The service is app-centred, meaning the registration as well as the rental processes run fully digitally via a smartphone. Prices are charged according to fixed rates based on minutes driven or per day, whereby customers can choose between two pricing plans (Volkswagen Group 2021b).

In July 2019, the service was launched in Berlin with 1,500 VW e-golfs and expanded with 800 additional electric VW ID.3 in Hamburg in February 2021 (Volkswagen Group 2021b). However, as of November 2020, WeShare announced to replace the entire Berlin e-golf fleet by the ID.3 (UMI Urban Mobility International GmbH 2020a). In addition, WeShare plans to integrate a low number of VW's electric SUVs, the ID.4, into its fleet. The entire car fleet of 2,300 EVs is leased from VW financial services at regular leasing rates (Krohn 2021). In addition to the main B2C business, the carsharing service offers companies a green alternative solution for conventionally asset-heavy vehicle fleets (WeShare 2021b). "WeShare Business" enables companies to link employee accounts with the company for automated billings. As of today, WeShare's B2B service is still in development. The user interface and pricing of WeShare Business are similar to the B2C model; however, might undergo further adaptations in the future (Krohn 2021).

Between August 2020 and January 2021, WeShare partnered with SKODA to offer the WeDrive pilot project in Berlin. With WeDrive, a new subscription model for e-golfs was tested, which intended to address more long-term oriented use cases. Test customers could rent an e-golf for a period of three to six months and use it via a pilot app. For that, 50 cars from the WeShare fleet were reserved and made available for long-term rents. The company aimed at assessing long-term mobility needs during summer and vacation periods (UMI Urban Mobility International GmbH 2020b). However, according to WeShare, the project was not pursued further, due to overall reduced mobility needs caused by the Covid-19 pandemic (Krohn 2021).

3.1.3 Operations, Positioning, and Strategy

3.1.3.1 Volkswagen's Group Strategy

Given that WeShare is a service provided by UMI, which is a subsidiary of VW, it is aligned to VW's group strategy and thus, part of its strategic pillars. In July 2021, VW announced their new group strategy "NEW AUTO – Mobility for Generations to come" (Volkswagen 2021) (see figure 1).



Figure 1: The NEW AUTO Group strategy matrix of Volkswagen

The strategy serves as a new plan of transforming VW into a leading, global "software-driven mobility company"

until 2030. The main direction is electrification with a goal to increase the battery-electric vehicle share out of the total global sales to 20% in 2025, to 50% in 2030, and to nearly 100% by 2040 in all major markets. In 2020 it was 3%, while in 2021 it will be around 6%. At the same time, VW acknowledges that its ICE business will continually decrease. To compensate this decline, VW plans to use the profits from selling conventional vehicles to expand its EV business, and to invest in software and autonomous driving (Kane 2021). Overall, the guiding strategic principle is the development of sustainable, connected, safe, and tailored mobility solutions for future generations, with decarbonization being the most essential part of VW's transformation strategy. The strategy is built in a matrix format and is centred on four value drivers that guide the transformation and run horizontally across all VW brands. More precisely, the four value drivers are mechatronics, software, battery and charging, and mobility solutions (Volkswagen 2021). Among other services and business areas, WeShare is part of the value driver "mobility solutions" aiming to capture significant market share in the mobility services business area and capture new revenue streams. As such, WeShare follows an individually defined strategy which will be analysed in further detail below.

3.1.3.2 WeShare's Strategy

In general, WeShare's strategy is closely aligned to their business model. As a free-floating carsharing provider, WeShare's service is focused on areas with a high population density and thus, large metropolitan areas (Krohn 2021). Therefore, a national coverage including rural areas is, as of today, unsuitable. Given limited national growth opportunities, in January 2020, WeShare announced to internationalize their service by expanding to six European cities: Prague, Paris, Madrid, Budapest, Munich, and Milan. According to WeShare, the expansion has been put on hold due to the overall decline in demand for mobility caused by the Covid-19 pandemic (Krohn 2021). Nonetheless, the attempt to expand abroad and to launch the service in foreign cities underlines WeShare's aim to follow an international or multinational area strategy (Volkswagen Group 2021a).

To analyse WeShare's strategy more thoroughly, theoretical strategic concepts are drawn upon to provide a comprehensive picture. As such, WeShare's strategy will be analysed according to the Ansoff Matrix, in terms of Porter's generic strategies, and in light of a brand positioning map.

Ansoff Matrix: First, the Ansoff matrix will be used to analyse WeShare's growth strategy. To do so, WeShare's strategy has been examined in terms of product and market to identify their market field strategy. Considering the two dimensions, product and market, the heuristic of Ansoff's product-market matrix model allows to classify a company's market field strategy into one of four growth strategies: market penetration, market development, product development, and diversification (Ansoff 1966).

Markets \ Product & Services	Existing	New
	Existing	New
Existing	Market Penetration	Product Development
New	Market Development	Diversification

Figure 2: WeShare in the context of the Ansoff Matrix (own representation)

Figure 2 shows the quadrants of the Ansoff Matrix that can be exploited by a company. The market development strategy contains the exploitation of the market potential of existing products in new

markets (Ansoff 1966, Meffert, Burmann and Kirchgeorg 2015). The expansion to Hamburg in 2021 and the planned expansion indicate that WeShare seeks growth by developing new markets both on a national and international level with its existing service (Volkswagen Group 2021a). Furthermore, the acquisition of new market segments through target specific product variations is part of a market development strategy (Meffert, Burmann and Kirchgeorg 2015). Both WeShare Business and the former pilot project WeDrive represent target specific product variations (UMI Urban Mobility International GmbH 2020b, WeShare 2021b). Another target group-specific adaptation is formed by the two payment models for infrequent users and frequent users. Based on these indicators, WeShare's growth strategy can be categorized as market development.

VW announced in July 2021 its aim to take over Europcar, the leading rental car and mobility service provider in Europe (Volkswagen Group 2021c). It remains to be seen to what extent VW will expand the individual mobility initiative to include and bundle additional services in UMI. Consequently, it cannot be ruled out that the strategy will be redesigned towards diversification (Krohn 2021).

Porter's generic strategies: In addition to the fundamental scope of the market addressed by WeShare, the strategic thrust of the free-floating carsharing provider must be placed in the context of the competition on the market. For this purpose, the concept of generic competitive strategies by Porter (2013) will be used to illustrate WeShare's competitive advantage.

Porter defines three competitive strategies within the selected market scope which enable competitive advantage: cost leadership, differentiation, and focus. While all the strategies follow the same goal, their route to achieve this goal differs fundamentally. As shown in figure 3, the strategies result from the two dimensions of the competitive target as well as the competitive advantage, which results from a cost advantage or a unique perception by customers (Meffert, Burmann and Kirchgeorg 2015).

Competitive Target \ Competitive Advantage	Differentiation	Lower Cost
Broad Target	 Differentiation	Cost Leadership
Narrow Target	Differentiation Focus	Cost Focus

Figure 3: WeShare according to Porter's generic strategies (own representation)

WeShare does not focus on specific segments. Within the operational areas, the company targets the entire spectrum of eligible drivers. Nevertheless, the service adds value particularly for mobility seekers who do not own a car and are environmentally conscious drivers. However, other mobility seekers represent equal value and especially due to high price sensitivity and low customer loyalty, WeShare identifies this added value rather as a differentiation and a brand positioning opportunity but not as a target focus (Krohn 2021). In line with VW's NEW AUTO strategy and the group's goal to become emission-free, WeShare's strategic focus and differentiating factor is its commitment to use only EVs. According to Mr. Krohn, this differentiation defines WeShare's USP and sets it apart from its competition. Additionally, WeShare is convinced that in light of the changing mobility landscape, carsharing will only be a viable option when it is completely electric in the long term (Krohn 2021). In this case, the environmental factor counts as a performance advantage over ICE alternatives of the competition. Furthermore, according to WeShare, electric carsharing currently has cost disadvantages compared to offers with conventional ICE's (Krohn 2021). Thus, WeShare pursues a differentiation strategy based on environmentally friendly and emission-free electromobility which aims to prove core competence in green free-floating carsharing (Porter 2013).

Brand positioning map: Using a perceptual brand positioning map (see figure 4) clarifies WeShare's differentiation strategy and relative competitive position based on how the brand is perceived by its customers in comparison to their three direct competitors in the German free-floating carsharing market:

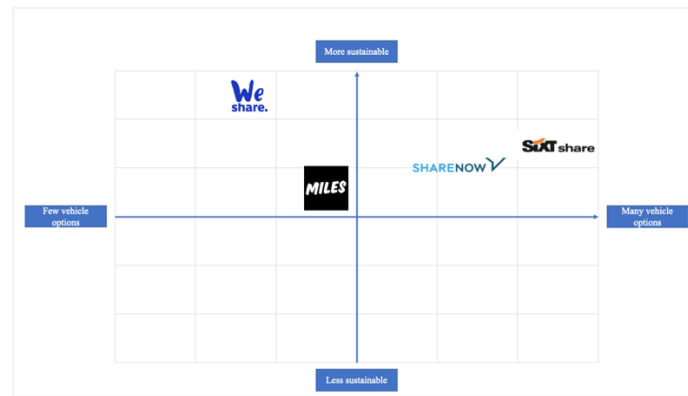


Figure 4: WeShare perceptual brand positioning map (own representation)

The brand positioning map is built with two axes namely sustainability and the number of vehicle options. The axes should signify those brand attributes that are most compelling or important for customers and should enable maximum differentiation among them (Cohen 2016). WeShare positions itself as the most sustainable, innovative, and clean carsharing provider with its 100% electric and emission-free fleet as their USP. This is also written on all WeShare vehicles, advertising themselves as the most sustainable carsharing provider on the market. For that reason, the perceived sustainability focus was chosen for the Y-axis of the brand positioning map. According to the Mobility Services Report 2020, the main customer benefit of the car rental sector, which includes car-sharing services, is that customers can make sure to choose the best deal regarding their individual needs. Customers are looking for different options and use cases when booking a carsharing car. For instance, some customers only need a small vehicle for a short trip, while others need a larger vehicle wherefore the perceived range of the offering for different use cases was chosen as the factor for the X-axis.

WeShare's three main free-floating carsharing competitors are ShareNow, Miles and Sixt Share. Share Now is owned in cooperation by Daimler and BMW and puts its brand communication focus on the widest availability of its cars in German cities, which they achieved by having the largest fleet out of all carsharing providers. As of February 2020, the fleet size was 7,400 vehicles (Statista 2020). WeShare's fleet size in 2021 is at 2,300 while currently operating two types of vehicles (VW ID.3, VW E-Golf) while Share Now has 22 vehicles from four different categories, including three EVs (Share Now 2021a). Miles brand communication is more focused on the simplicity and affordability of its service.

Miles owns a fleet of 1,500 cars with 7 different vehicle types, from which one is electric (VW ID.3) and three are transportation vans (Miles 2021). Sixt Share operates 26 different vehicle types, from which 6 are electric. Also, one third of Sixt Share's fleet already contains EVs (Sixt 2021).

Conclusively, with a strong USP in the German market compared to the three direct competitors coupled with a differentiation strategy, WeShare can leverage their strengths to compete in the market and follow the market development growth strategy. However, as competitors develop and adapt continuously, they might transform their fleet to an electric offering as well. Consequently, a potential adjustment of their product and business portfolio might be necessary to stay competitive in the market. As such, WeShare Business and other unique offerings should be further developed, tested, and implemented to target and reach a broader range of customers.

3.2 End-user Service to be Internationalized

In this chapter, the service to be internationalized is defined and described in more detail. Thereby, this chapter defines the scope of the internationalization plan. As outlined in the previous section, WeShare plays a central pillar of UMI's product portfolio. Since "WeShare Business" is still in the development stage and can be understood as an additional offering to their B2C business, the following work will focus on WeShare's commercial B2C business. Within this scope, a more detailed description of WeShare's B2C service will be provided to ensure an in-depth understanding as a foundation for the internationalization plan:

How the service works: WeShare's service is app-centric meaning the entire registration and lending process is done via the app. After registration and login, customers can locate vehicles in their vicinity via a map of the operating area, pre-book them, and retrieve general vehicle information as well as the associated booking rates. As soon as the user arrives at the vehicle, the car can be unlocked via the app. The app displays free charging stations and offers additional functions such as simple vehicle identification as well as contact details of WeShare for customer queries. After usage, the customer can

end the rental flexibly via the app within WeShare's operating areas. Alternatively, intermediate stops are possible, during which the car remains reserved (WeShare 2021, WeShare 2021a). All vehicles can be parked freely in public parking spots within the operational areas, in due respect of the applicable laws and road traffic regulations. Accordingly, the vehicles are freely distributed throughout the entire business area and are not limited to determined parking areas (WeShare 2021). The ratio between the number of cars per area is designed in a way that on average at least one car can be found within a 400-meter radius (IAA Mobility 2021). The operating area can be left during the rental; however, the rental can only be terminated within WeShare's business areas. The minimum required data connection of at least 4G for locking and opening the vehicles sets practical usage limitations. All vehicles allow the connection of smartphones via Bluetooth and USB-(C) and include a compatible charging cable and charging card to allow the user to recharge electronic devices (WeShare 2021).

Pricings: As mentioned before, WeShare offers two pricing models as presented in table 1.

	Standard Rates	WeShare+
Registration	- €	- €
Monthly fee	- €	9,90 €
Driving (per minute)	0,29 €	0,19 €
Stop-over (per minute	0,29 €	0,05 €
Max. daily raate (per 24h)	58,00 €	48,00 €
Include mileage	100 km	150 km
Additional kilometer (per km)	0,29 €	0,29 €
Liability reduction (per ride)	1,00 €	1,00 €

Table 1: WeShare's pricing models (own representation)

Based on the usage behaviour (infrequent vs. frequent use) the user can choose between standard and WeShare+ rates. In both models the user pays rates per minute; however, WeShare+ offers discounted rates in exchange for a monthly subscription fee of 9.90€. Accordingly, the WeShare+ subscription is profitable from 100 driven / rented minutes per month and therefore, offers a more favourable pricing model for frequent users. However, the average rental time of 22 minutes per trip and the current distribution of payment plans (85% standard rates vs. 15% monthly rates) suggests a user focus on flexible usage. Independent of the pricing models, extra costs and penalties but also incentivising credit systems may apply, which can be found in Appendix B.

3.2.1 Financial Overview

According to Mr. Krohn (2021), electric carsharing is expected to become a profitable business model in the future but in the last two years, the pandemic and consequently a drastically reduced demand for mobility made it difficult to predict the point when WeShare will be profitable. Additionally, WeShare is currently still facing higher costs due to only using new EVs, compared to using ICE vehicles. Current financial data of WeShare's income statements cannot be displayed in this report, due to the high confidentiality. Nevertheless, estimations and forecasts of revenues and expenses based on information provided by WeShare (Krohn 2021) including a listing of revenue sources and cost drivers, can be found in Appendix C, and a more detailed overview follows in section 8. Summarizing, the main cost drivers for WeShare are the leasing and parking costs for the fleet. The calculations showed that the most relevant leverage for profitability is the number of users. However, these projections assume stable demand with no major impact on demand from the pandemic. Consequently, a likely profit could be estimated under these conditions. WeShare's balance sheet can also be found in Appendix C, which shows liabilities to Volkswagen of around €24 million, corresponding to WeShare's annual budget.

As for the current profitability of the carsharing sector, the information provided by Mr. Krohn are underscored by the 2020 Mobility Services Report, which reports a Covid-19 related revenue decline of -54% for the global mobility services market in 2020 from 1.134 bn \$ pre Covid-19 to 520 bn \$. The revenues in the carsharing sector dropped from 9.2 bn \$ in 2019 to 7 b.0 bn \$ in 2020. However, the report also states that the global carsharing revenue is forecasted to grow from a revenue of 10.4 bn \$ in 2021 to 14.8 bn \$ by the end of 2025. Hence, this serves as an indicator for a future profitability of carsharing providers, such as WeShare.

3.3 Market/Industry Analysis

The sharing economy in general is one of the major trends shaping the social and economic landscape of tomorrow. Carsharing is a term covering multiple modes of sharing but is distinct from ride sharing, which refers to a service including the action of being driven to a given destination (Bert, Collie and Xu

2016). The carsharing industry can be further divided into two categories. Station-based carsharing refers to a business model, stipulating a specific pick-up and parking point (Capgemini Invent 2020). Free-floating carsharing is characterised by company owned cars, which can be picked up and left within a defined area (ING Bank 2018). A specific model of free-floating is peer to peer (P2P) carsharing where individuals share their vehicles, and carsharing companies provide the platform to link car owners and users. To provide a holistic picture of macro and micro indicators shaping the carsharing industry, a market analysis was conducted applying the PESTEL and Porter's five forces framework.

3.3.1 PESTEL Analysis

The PESTEL framework examines a company's external factors such as political, economic, socio-economic, technical, environmental, and legal, facilitating the evaluation and industry exposure to different stakeholders. The PESTEL analysis is applied to the carsharing market identifying related impacts (Worthington, Britton and Thompson 2018) (see Appendix D).

3.3.2 Porter's Five Forces

Porter's five forces model examines a firm's strategic abilities within a specific industry taking into consideration five forces: rivalry, threat of new entrants, threat of substitution, power of buyers, and power of suppliers (Worthington, Britton and Thompson 2018). By applying this strategic framework, the carsharing industry's competitive environment is parsed, providing information about factors which are shaping the future development of the market.

Rivalry: To evaluate WeShare and its current competitors, the German carsharing market has been analysed focusing on the prevalent competitive landscape.

- *Share Now:* Share Now operates 7,400 vehicles in Germany (Koptuyug 2021a) and is a merger between the carsharing services of Daimler, Car2Go, and the BMW Group's "DriveNow". It is expected to have covered 35% of Germany's carsharing revenues in 2020 accounting for a revenue

of 106 mn €. Share Now is currently present in 16 major European cities operating around 26% of their total fleet fully electric with an upwards tendency (Share Now 2021b).

- *Flinkster*: Flinkster is operated and owned by the Deutsche Bahn AG and provides station-based carsharing services. The company is expected to have generated a revenue of around 64 mn € in 2020 making it the second biggest German carsharing provider. It operates a fleet of 4,500 cars including fully electric models (e.g. the MINI-E, Renault ZOE Elektro) (Deutsche Bahn AG 2021).
- *Stadtmobil*: The joint venture Stadtmobil owns a market share of around 12% in Germany offering a station-based carsharing service. Encompassing seven regional companies, which are operating under one common brand and platform, Stadtmobil is the third biggest German carsharing provider. Stadtmobil mainly operates in major German cities such as Berlin, Stuttgart, Karlsruhe, Hannover, and Frankfurt (Stadtmobil Rhein-Neckar AG 2021). In 2018, it launched its free-floating carsharing service called “JoeCar” in Mannheim and Heidelberg (Stadtmobil Rhein-Neckar AG 2021).

WeShare is considered to account for a market share of around 9% within Germany in 2020 and with that just 3% more than its competitor Cambio, which is cooperating with “Stadtmobil” to level up their station-based services. Also worth to mention are the free-floating provider Sixt Share, which launched its free-floating services in Berlin, Hamburg, and Munich as well as Miles which is operating around 1,500 vehicles within eight major German cities including Berlin and Hamburg. Overall, the German carsharing market is very competitive with a low loyalty rate, and a high price sensitivity.

Threat of New Entrants: Threat of substitution can arise from different angles, namely companies who integrate vertically or horizontally in the market. More precisely, existent carsharing companies that expand their services to Germany can be a threat of new entrants given that entry barriers are comparably low. As such, car rental companies and car hailing companies which integrate their business horizontally through carsharing solutions may become new competitors for WeShare. Also, original car manufacturers either vastly consider expanding their product portfolio and offer carsharing services or have already taken the step and thus, integrate their business vertically in the carsharing market. The

French mobility start up Free2Move, which is owned by the PSA group, expands its services aggressively. Several new countries are being expected to complement the current range of countries in which Free2Move is operating its carsharing services in, including Spain, France, and the US (Jacobs 2020). Furthermore, the US based carsharing provider Zipcar, who already expanded to the UK and drawn back an expansion to Austria in 2017 is considered as a constant threat to enter the German market (Nasralla Potter 2017). The Estonian mobility company BOLT launched a carsharing service called “BOLT Drive” in 2021 in Tallin and Pärnu already announcing that it is going to invest 20 million EUR to further expand this business sector to further destinations in Europe (Shead 2021).

Threat of substitutes: Carsharing is just one of several promising mobility solutions flourishing in the past years. Governments invest heavily in public infrastructure, the car hailing sector has been growing steadily in the past years, and micro mobility solutions are visibly capturing market share in the urban mobility sector. The most prevalent threat of substitution in urban areas arises through public transportation. In 2021, this sector generated 13,726 million EUR revenue reaching more than 50 million customers counting a penetration rate of 60% in 2021 (Statista 2021a). Even though the Covid-19 pandemic depressed the public opinion towards this mobility sector, due to the increased infection risk, it is anticipated to accumulate 15,570 million EUR revenue in 2025. Ride hailing and taxi services on the other hand only generated a revenue of 3,533 million EUR within Germany in 2021, which is 77% less than public transport, but still 800% more than the carsharing market in this region. Also, worth mentioning in this context is that the development of fully autonomous cars would inevitably lead to a merger of the carsharing and car hailing industry (Krohn 2021). The traditional car rental industry accumulated with 2,104 million EUR slightly less revenue in 2021 within Germany than the car hailing industry but provides a competitive solution for the carsharing service, especially for long-term trips. Micro mobility services such as e-scooter sharing, bike sharing, or skate solutions already generated an annual revenue of 40 billion USD globally in 2020 and are anticipated to hit over 195 billion USD by 2030 counting an CAGR of 17.4% (Allied Market Research 2021). Even this industry is expected to

get more regulated in the upcoming years the E-Scooter-sharing market itself is expected to reach nearly 13 million users in Germany until 2025 accounting for a revenue of 283 million EUR (Statista 2021b).

Buyer Power: Based on the current and future competition and the possibility to substitute the carsharing service, the buyers' power is considered as high. Due to various alternatives, the price is the determining factor in choosing a carsharing or mobility service (Krohn 2021). To evade such prejudicial market condition, it is an imperative to differentiate a companies' service from its competitor by building a strong brand, establishing a clear USP, and increase customers loyalty through subscription and marketing measurements (Collinson, Narula and Rugman 2017). In this context, WeShare is positioned with a strong brand being the only fully electric carsharing provider and binding customers through their subscription model mitigating the prevailing high bargaining power of customers (Krohn 2021).

Supplier Power: Examining the supplier power, the vehicle provider, EV infrastructure, and parking infrastructure are the most vital components of the core business of WeShare. Both the VW ID.3 and the VW ID.4 are leased on a market leasing price, which can be considered to stand at 298,- EUR/month for the ID3 (Leasingmarkt 2021) and 302,- EUR/ per month for the ID4 (LeasingMarkt 2021). There are several competing companies offering leasing contracts for the required vehicles, limiting the supplier power of vehicle providers. Furthermore, VW being the supplier and WeShare's owner leads to a convergence of interests and to the consideration, that the power of the vehicle provider is low.

Insufficient EV infrastructure such as the lack of charging stations are one of the main challenges intending to further unfold the electrification of traffic. Since such fully private infrastructure projects often founder due to unsustainable business models and likely entail interoperability problems such as a lack of standardization, public-private partnerships are most likely to catalyse the availability of public charging infrastructure (Mehta and Senn-Kalb 2021). The number of public charging stations which count around 89T within Germany is expected to increase tremendously in the upcoming years reaching 269T stations until 2025. This forecast means that the current ratio between public charging stations and carsharing users will increase from 3,44% in 2021 to 8,69% in the next four years. According to this

rational there will be more than double as many charging stations per carsharing user in 2025 than in 2021 (Statista 2021c). The public character of the charging infrastructure in combination with the progressing expansion of the charging network leads to the conclusion that the bargaining power is moderate given the increasing public interest towards sustainability and emission free transportation. A very similar picture can be seen looking at the parking infrastructure, which is expected to become priced more favourable for carsharing companies as soon as public awareness towards the advantages of those services furthermore increases. To sum up this chapter up the overall bargaining power of suppliers can be rated as moderate due to the strong position of public authorities as infrastructure provider.

3.4 Consumer Trends & Forecasts

The following section intends to provide an overview of current and future consumer trends that will shape the carsharing industry in the EU and are thus, relevant indicators for WeShare. Within the 27 countries of the EU the revenue of carsharing services is forecasted to grow with an CAGR of approximately 12% until 2025. Benchmarked by data about the global CAGR shows, that the growth in EU member states is slightly lower with 12% than the global average which is anticipated at 13% (Statista 2021d). Sensitising these numbers and breaking it down to the number of users and their annual revenue per user rate (ARPU), the CAGR of users in the next four years starting in 2021 is with 4.7% lower within the EU-27 countries than the worldwide CAGR which is expected to stay at 5.5%. However, the ARPU is expected to increase more in EU countries than on a global scale, indicating a willingness of consumers in this region to spend higher amounts of money on carsharing services than the international average (Statista 2021d). Examining the penetration rate of carsharing services, the EU-27 countries have, compared on a global scale, a relatively high adoption rate with 2.6% in 2021. In contrast, the penetration rate of eastern Asia stays at 1.1% (Statista 2021d). Another trend is the growing adoption of EVs (Walton, Hamilton and Geneviève 2020). This development is accelerating due to the increasing awareness of clients and the continuous removal of barriers which raised consumer concerns such as the cost premium, lack of infrastructure, and limited driving range.

3.4.1 Key Industry Success Factors

The success of carsharing is built on various factors wherefore understanding key success factors in the industry is of relevance. The platform-based business model supports a high scalability, adaptability, and flexibility. Further value is created through subscriptions models, ultimately enhancing customer loyalty (Rohn, Bican and Brem 2021). Three major developments are powering the prosperity of the carsharing industry: technical innovation, environmental impact, and socio-economic trends. Those trends are pressuring and calling politicians for action. Increased technical connectivity enhances the carsharing service in terms of the platform basis while better charging and road infrastructure lowers costs for maintaining the fleet (Monitor Deloitte 2017). Electrification of vehicles not only increases compatibility with interconnected, digital applications, but studies show that it also involves a 5% - 20% reduction of greenhouse gases per carsharing household in Europe. Also, the decreased car ownership spares public space and recourses (Nicholas and Bernard 2021).

3.4.2 Opportunities & Threats

This chapter will highlight the opportunities and threats of the carsharing industry, especially focusing on the free-floating business. It will aid in conducting a future SWOT analysis to foster the understanding of opportunities and challenges and how they can be addressed.

Opportunities: A broader political rapprochement towards carsharing could not only be an opportunity for both sides by integrating this service in a collective city transport solution, but it would also help to reduce travel time and costs of citizens which arise through car ownership. The politically motivated removal of barriers such as parking fees and operating restrictions would enable an easy business area expansion of free-floating carsharing fleets. By further promoting and regulating the electrification in city centres the presence of electric carsharing providers can be deepened by providing more vehicles within city centres (Tart, et al. 2018).

Threats: The most present threat for the industry is the risk of getting substituted by another emerging mobility service. Carsharing services are expected to merge with car hailing services by the time autonomous driving is marketable (Krohn 2021). In addition, new ways of public transportation are continuously developed offering mostly more economically alternative to carsharing clients (Statista 2021a).

3.4.3 Country-Specific Advantages (*Porter's Diamond*)

The four determinates described in this chapter can be crucial for a country to build and maintain a competitive advantage. For the sake of this work project the analyses focus on Germany. A country's competitive advantage is facilitating the effective internationalisation of established companies. The firm strategy, structure, and rivalry outlines company specific factors such as its motivation and competitiveness (Collinson, Narula and Rugman 2017).

3.4.3.1 *Factor Conditions*

Factor conditions are created by a country itself and refer to personnel recourses, natural or mineral assets, a nations scientific and market knowledge, financial recourses, as well as the quality of infrastructure (Collinson, Narula and Rugman 2017). Germany is the highest populated country within the EU counting 83 mn inhabitants and 44,9 mn employed people in 2021 (Trading Economies 2021a). The minimum wage is amongst the five highest within the EU (Eurostat 2021). Focusing on tertiary education 38% of its current 2,944,000 University students are in the field of Law, Economics, and Social Sciences as well 38% in the field of Engineering and Social Sciences (Koptuyug 2021b). Graduates of especially those fields of study can be expected to be the most vital HR for the carsharing industry. The automobile industry is a major economic driver in Germany accounting for 800 tn jobs and 10% of its total export value of 1.44 tn \$ in 2019. (OEC 2021). Measured by its GDP per capita and financial stability Germany has a strong position within Europe. An average bank lending rate of 1.8% within this country underlines the low level of financial constraints (Trading Economies 2021b). Germany has the best logistic performance index globally, which refers to an evaluation of its trade and

transport related infrastructure (The World Bank 2021f). In terms of electric infrastructure Germany is considered as the country with the most charging stations and was in the past five years receiving the highest amount of FDI in the automotive sector. Summing up all factor conditions, the supply of high educated personal can be evaluated as sufficient, while Germany has a significant competitive advantage due to its protagonist role within the automobile industry and deep market knowledge. Combined with its solid financial situation and pioneering role in establishing transport and charging infrastructure it offers beneficial conditions for carsharing companies to thrive and further expand (McDougall 2020).

3.4.3.2 Related and Supporting Industries

Supporting industries refer to internationally competitive suppliers having the ability to rapidly access cost effective inputs as well as other related industries that can coordinate and share activities in the value chain (Collinson, Narula and Rugman 2017). This chapter evaluates those factors based on the prevalent situation in Germany analysing data of the automotive supply industry. Furthermore, the telecommunication industry has been identified as auxiliary economy. Germany boasts not only some of the world's most successful automotive manufacturer but also 18 of the world's top 100 suppliers. The density of auto-related R&D, design, supply, manufacturing, and assembly facilities is higher than in any other country (McDougall 2020). By one of the highest smartphone penetration rates within the EU (O'Dea, Statista 2021e) and an internet penetration rate of 85%, which is expected to grow up to 91% until 2025, the telecommunication sector in Germany is assessed as strong supporting industry for carsharing companies. Based on Germany's pivotal role within the world's automotive industry the whole ecosystem around car manufacturing companies is unprecedented supported by a rapidly expanding telecommunication sector.

3.4.3.3 Demand Conditions

The demand conditions of the carsharing market within Germany are examined by looking into market size exceptions but also by evaluating motives for using this service and analysing how the domestic demand pulls other country market metrics (Collinson, Narula and Rugman 2017). The German

carsharing market had a size of 452 mn € in 2019 serving 2.2 mn clients growing at a ACGR of 14.3% from 2017 on being the biggest carsharing market within the EU-27 countries. However, the CAGR until 2025 is prognosed to stay below the EU-27 average at 7.2%. Based on these data it can be derived that Germany is a pioneer in adapting carsharing services and further countries about to follow. This permission gets supported by the fact that the penetration rate is significantly above the EU-27 average (Statista 2021d). According to a survey, 45.8% of participants can be clustered into three groups, first, characterised by a low frequency of ICE motorised trips, second, high environmental concerns, and third, an affinity to public transportation (Silva Ramos, et al. 2020). 35.5% of respondents are sharing the habit of a strong private car usage as well as a strong environmental awareness. The third group accounting for 18.7% of respondents stated they have a medium level of private car use, the lowest level of environmental awareness as well as low personal values (Silva Ramos, et al. 2020). Following this interpretation, the strongest attribute for further customer acquisition is the environmental aspect. Germany has in sum very strong demand conditions which will grow further but below the EU-27 average and pulled by increasing environmental awareness.

3.4.3.4 Firm strategy, structure, and rivalry

This section outlines firm strategies to compete, their goals which are attained, their domestic competition, and the creation of a persistent competitive advantage in the respective industry. The car manufacturing industry in Germany is broadly embedded in domestic carsharing services by ownership as well as adoption of their products. This leads not only to local high-level competition, but also to a strong brand image, supported by the notion of high-quality vehicles. Just like in the automobile manufacturing industry, the carsharing industry is dominated by several major players meaning that four companies are generating around 80% of the total revenue within Germany (Statista 2021f). Looking into this industry from a nation-wide perspective the carsharing industry in Germany differentiates itself by its vehicles' brand image, striving to be the market leader in terms of quality and ecological efficiency simultaneously. Overall, the oligopolistic structure and high domestic competition are characteristics

which are vertically transported from the car manufacturing industry. An additional competitive advantage is generated throughout the vast automobile related ecosystem within this country.

3.5 Firm-Specific Advantage

After the examination of the external factors of the company, the following chapter provides an in-depth analysis about specific advantages that are associated with WeShare. To assess the analysis, a closer glimpse of WeShare's resources and competences and the resulting competitive advantages are described with the aid of Porter's value chain framework. According to Porter, the value chain disaggregates a company into its strategically relevant activities and allows the understanding of the behaviour of costs and sources for potential differentiation. Consequently, the differences between benefits and costs stem from these activities, which ultimately embody the basic units of competitive advantage. Thus, competitive advantages result from activities of a company that are more effectively executed in relation to its competitors (M. Porter 2008). Analysing the value chain and the overall embedded strategy of WeShare in the context of the VW group, WeShare's differentiation strategy becomes evident. This goes in line with the experience of industry expert Krohn (2021), who stresses that comparably higher costs for EV sharing services, restrain a cost leadership strategy or acting industry wide. To realize this strategy, WeShare relies on a set of competitive advantages that are presented in the following:

A large source for competitive advantages of WeShare can be identified in "marketing and sales", which is due to two circumstances. First, the automotive future will evolve electricity to a very high degree in the future and many OEMs are already committed to exclusive EV sales by 2030 (McKinsey & Company 2021a). Also, the awareness for sustainability increased tremendously in recent times (European Environmental Bureau 2020) and is at the top of mind of consumers in the industry (Sarwant 2021). WeShare is the solitary market incumbent that operates with electric cars exclusively, generating a positive effect in their brand reputation and meet customers' desires. Furthermore, WeShare benefits

of a first-mover advantage in terms of studying electric cars, acquainting knowledge of regulations and market conditions. Competition in the market is fierce and is expected to electrify their fleet soon.

Second, the affiliation to VW implies another competitive advantage of WeShare. To be precise, VW enjoys a brand value of 7.06 bn \$ in 2021 (Statista 2021g). Arguably, it is expedient for a start-up company to be referenced to a renowned brand in the industry.

Third, in terms of technology, it is crucial to mention that the automotive industry is increasingly affected by disruptions, including digital business models and the “connected life” of customers. In this manner, automakers must be able to adapt rapidly to customers’ needs and market changes and build their business models with future-proof technological components (Oliver Wyman 2017). WeShare’s platform, services, and operations are running solely cloud-based since the establishment of the company, which increases the scaling flexibility of the firm and the possibility to add, change or remove services. In addition, due to the cloud-based nature of WeShare’s IT systems, the company benefits from lower operating costs and can shorten the development cycles of new features to become market-ready (Microsoft 2021). The competitive advantage manifests, moreover, by acknowledging that WeShare is allowed to “focus entirely on our core value chain and on developing solutions for reservations, trips, and fleet management” due to regular updates and autonomy of the IT landscape (Microsoft 2021). Furthermore, despite being part of the VW group, WeShare is independent of the group’s procurement systems. This leads to another elevation of WeShare’s agility since no approval processes or interactions with VW’s IT department are necessary (Krohn 2021).

Fourth, by analysing the operational part of the value chain, WeShare having established multiple cooperation with local retailers to cover the insufficient availability of electrical charging stations in the operational zones (Volkswagen Group 2021a). Arguably, this is a measure of balancing the limitations due to operating solely with electric cars but considering the long-term perspective the cooperation is a substantial benefit to WeShare. Another competitive advantage in operations can be identified in the

minimized portfolio of available cars. This leads to more knowledge about the vehicles and economies of learning in terms of repair, long-term issues, and long-term behaviour (Volkswagen Group 2021d).

In terms of HR and corporate culture, WeShare benefits from an internationally composed team and an agile way of working. This enforces a flat hierarchy system and WeShare fosters growth and a modern working environment. As integrated part of VW, WeShare profits from the support of experienced VW managers and the organisational stability, ultimately resulting in a competitive advantage, since benefits, experience, and ideas are combined and leveraged.

The competitive advantage of the “firm infrastructure” is briefly described in the following. As the carsharing, electric carsharing industry, and companies within it, lack profitability especially in early stages, substantial financial resources are a vigorous competitive advantage to sustain the business and capture market share in the long run (Gmelin 2021). At the end of 2020, VW accounted an equity amount of 128.8 bn € (Statista 2021h). Thus, WeShare being part of VW and part of strategic initiatives of the group (Volkswagen Group 2021d), the firm profits from considerable resources and know-how.

3.6 Diagnosis for Internationalization

3.6.1 Motives for internationalization

Internationalization is a complex and multifactorial process and has gained increasing interest among researchers over the past decades (Barrett 1986). Studies mostly focused on push and pull factors that are the root cause for a firm’s decision to internationalize or on the overall process leading firms to become involved in international activities (Fletcher 2001). The motives for internationalization are vast and are subject to a firm’s individual needs, goals, and preferences. Thus, an initial classification of the reasons for internationalization is a fundamental step in the evaluation of the potential success of WeShare’s expansion abroad. In this sense, grasping an understanding of why WeShare aims to internationalize and what drives their perspective on foreign markets given their long-term strategy guides the logic for future actions and the probability of a successful outcome.

Early adopters of research in the field of internationalization (Aaby and Slater 1989, Cavusgil and Naor 1982, Zou and Stan 1998) found that the factors for internationalization can be categorized according to whether they are management or organization characteristics, or external impediments or incentives to engage in business overseas (Fletcher 2001). More recent research by Cuervo-Cazurra, Narula and Un (2015), however, shows that the motives for internationalization can be clustered differently. Researchers suggest more precise categories for the motives, such as commercial, non-commercial, and inadvertent (Hollander 1970) vertical and horizontal (Hymer 1976), pull and push (Kacker 1985) upstream and downstream (M. Porter 1986), growth-oriented and limited domestic market opportunities (Williams 1992), and seeking motives such as resource, market, efficiency, and asset seeking (J. Dunning 1993). Aside from that, one can distinguish between reactive and proactive reasons for internationalization. Given that WeShare does not primarily try to fulfil the purpose of following customers abroad but rather seeks high-growth markets, their motives are considered as proactive.

In terms of reasons to expand, WeShare's primary aim to expand across Europe arises from pull factors and growth-oriented brand and market aspirations to ultimately increase their revenues and profits. WeShare's expansion abroad is considered a strategic option to foster their competitive advantages as a company. Given that VW is a global multinational corporation and WeShare's strategic pillars in terms of international presence are aligned with the firm, an expansion abroad was foreseeable. Furthermore, the initial classification also allows to identify market seeking purposes given that WeShare's business model is not limited to the German market but can be applied in various cities around the globe. In this sense, European cities are perceived as pull factors given their favourable conditions regarding electric mobility and carsharing opportunities. The foregoing industry analysis underlined the potential of the European carsharing market.

In addition, WeShare is driven by push factors such as limited growth opportunities and regulations in the German market as the precedent analysis shows. A fragmented, highly competitive, and price sensitive domestic market with a high threat of potential new entrants poses a risk for WeShare and its

profitability. Thereby, an expansion across Europe complements the downsides of the operations in Germany with customer growth and international brand establishment. The aforementioned factors and motives for internationalization were identified as the prevailing reasons for WeShare to expand in early 2020. Due to the Covid-19 crisis, WeShare adjusted their initial expansion strategy and now, follows a sequential internationalization process, expanding to different European cities one after another.

3.6.2 Firm-Specific and Country-Specific Advantages

The goal is to leverage WeShare's firm-specific advantages (FSAs) and country-specific advantages (CSAs) building on the resources and competitive advantage they have developed in Germany to successfully operate abroad. More precisely, the internationalization builds on the theoretical foundation of the FSA/CSA matrix developed in Rugman (1981) and Rugman, Lecraw and Booth (1985). They suggested the differentiation between FSAs as managerial decision factors and as a unique capability proprietary to the organization while CSAs are presumed to be environmental, political, cultural, economic, and financial factors exogenous to the firm. More precisely, FSAs include brand power, corporate culture, technological know-how, marketing, and distributional skills, as well as innovative capabilities while CSAs follow the Porter's Diamond factors (Rugman, Lecraw and Booth 1985).

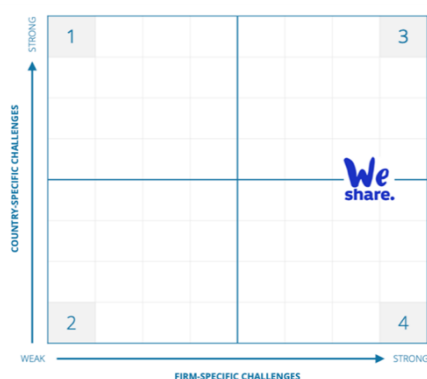


Figure 5: WeShare in the context of the CSA/FSA Matrix (own representation)

As discussed in the previous chapters, WeShare's FSA results from their differentiation strategy (figure 5). Given their technological advantage in cloud-based IT systems and an agile team, WeShare can establish a comparably strong FSA.

These factors are enhanced by WeShare's clear USP and competitive edge in the market. Nonetheless, competition is fierce in the market and consumers are characterized by a low level of loyalty but a high price sensitivity. Consequently, WeShare must foster their FSA to avoid competition to take over and make their FSA redundant. To do so, WeShare must utilize and leverage VW's FSA and complement this with a strong CSA.

In terms of CSA, German cities vary in their degree of a beneficial environment for electric carsharing suppliers. For instance, Berlin demands millions of euros for annual parking fees for electric carsharing companies, whereas privately owned cars are allowed to park publicly for a minor annual fee of 10€ (Krohn 2021). While Hamburg provides a carsharing badge which makes it more convenient for WeShare to operate, a mobility law is currently discussed which aims at regulating the number of cars and suppliers of carsharing services in Germany (Krohn 2021). It shows that German politics are becoming increasingly aware of electric carsharing as a mobility solution but show a lack of interest in providing a supportive habit for carsharing companies such as WeShare who require the state to lower parking fees, provide public space for carsharing automobiles, and to invest heavily in charging infrastructure. These requirements are endangered by new laws fostering other mobility solutions such as e-scooters and largely depend on the political direction that is prevailing in the next years. In general, the German government's goal is to have seven to ten million EVs registered in Germany by 2030 complemented with a total of one million charging points made available by 2030, 50,000 of them by 2020. To this end, the Federal Cabinet adopted a "Master Plan for Charging Point Infrastructure" in November 2019. Also, the Federal Government will promote charging points at customer car parks (The Federal Government 2020). Aside from that, in a European comparison, Germany is largely behind in digitalization and 5G network expansion (Market Line 2021). However, this factor might be less of a challenge given that in large German cities the network is assumed to be sufficient. As such, the overall CSA can be assumed to be moderate to strong.

3.6.3 Global Readiness

WeShare's global readiness to expand is assessed through a questionnaire (Appendix E) and stems from mainly four reasons: First, the end users in other cities as well as the product use conditions will be the same in other European cities and the service will have the same function as in the German domestic market. Second, the support from VW and the required approval from the supervisory board is evaluated and discussed. Given that WeShare already planned to expand in six cities in 2020 with the approval of

relevant VW managers, a global readiness was analysed internally already and can thus, assumed to be existent. The support also provides financial resources as well as expertise that is necessary for WeShare to successfully expand in other European cities. Third, electric carsharing, and alternative driving technologies are on the forefront not only in Germany but in many other European countries. The latter results from an increased awareness for sustainable and climate friendly mobility options. The business model itself is approved and welcomed by many potential users and under a well derived marketing strategy, a high number of potential users can be reached and turned into customers. Fourth, the diverse and multinational team of WeShare provides an international mindset within the company wherefore WeShare can build on a broad network of ideas, expertise, and experience when it comes to an expansion. Overall, the internal assessment of WeShare's global readiness is assumed to be sufficient providing a strong ground for WeShare to expand. A successful expansion, however, requires in-depth market research and knowledge to meet foreign customer demands and follow international regulations.

4. International Market Selection

The following section focuses on the first stage of the internationalization strategy including the underlying criteria for the country selection, the country ranking and clustering process, as well as the identification of the five highest ranked potential markets.

4.1 Country Selection Criteria

To identify relevant countries, an initial long list of European countries was taken as baseline. From that and with certain filter criteria a short list of potentially relevant countries was derived. Thereby, countries which do not lie geographically entirely in Europe or do not have cities with a sufficiently high population, and which score high in the political risk rating as well as show a lack in relevant data were excluded. A country's political stability influences the long-term success of WeShare's expansion. Based on the remaining 22 countries an initial country ranking was conducted (see Appendix F).

4.2 Country Ranking

As studied by Cavusgil, Kiyak and Yeniyurt (2004) a country ranking process is used to identify political, economic, and socio-cultural factors that provide information about the aggregated market potential based on macro- and micro economic indicators and weight the underlying variables. As such, to rank countries according to their suitability for WeShare's strategic expansion, the first step is to identify relevant market indicators. As such, variables like market size, market growth rate, and market receptivity, as well as commercial infrastructure, standard of living, country risk, the international tax competitive index, economic freedom, the cultural distance to Germany, and digital factors were considered. Appendix G shows a full list of the market indicators and the rationale of choosing these variables for the country ranking. In total, 39 variables divided in ten categories were analysed based on sources from institutions such as the World Bank, World Economic Forum, and Eurostat. Given the high number of variables, a weighted score for each indicator enabled a differentiation between the relevance of the factors. The commercial infrastructure and more precisely, the number of available charging stations within the country is a decisive factor for WeShare's business model. Accordingly, parking costs in the respective country also play a crucial role and are included with a higher weighted score within the analysis. Another strongly weighted factor is the ease of doing business index, which is part of the country risk factors. This factor is important since it indicates which countries have the most business friendly regulations (World Bank 2021e). The latter is aligned with information provided by WeShare who excluded certain countries and cities such as Barcelona from their previous expansion plans due to city regulations contradictory to their business model (Krohn 2021). Consequently, the factor is considered as a crucial part in the country selection process. Given that WeShare's service is only accessible via the customer's smartphone, digital factors such as the smartphone penetration rate were weighted highly.

Finally, more city-specific factors were included to highlight the importance of the cities in each country, which is critical for WeShare as they search for countries with synergy potential between cities for future

incremental expansion. Here, all urban agglomerations of each country with a population of over 500,000 people, which is the minimum size for being a city of interest to WeShare, were taken into consideration (Krohn 2021a). For all these metropolitan areas of each country the sum of their combined urban population and the GDP was calculated as well as their average urban population growth, GDP per capita, innovation index, and the average percentage growth of the Apple mobility index indicators for driving, walking, and public transportation usage. Especially, the total urban population and the growth of the relevant cities inside each country is of interest for WeShare (Krohn 2021). However, high weights were allocated to all these factors due to the high importance of the individual city potential and the synergies between them for WeShare's possible expansion. Subsequently, these factors were merged with the country level factors to ensure an appropriate outcome of the country ranking for WeShare's city centric approach to expansion¹. For that, the data was standardised using z-score normalization and inverted where needed. Arguably, high scores in various factors were favourable, for instance in terms of population; however, for the Ease of Doing Business Index and the Global Corruption Index a higher score indicates worse performance. Consequently, the scores were inverted to reverse and rectify the logic. The indicators were then weighted according to their importance and the perception of the team towards the relevance to the issue. Finally, a summed indicator was calculated and sorted to create a ranking of all countries according to their fit to the discussed goal (Appendix H):

1) United Kingdom, 2) Germany, 3) France, 4) Switzerland, 5) Netherlands, 6) Sweden
7) Norway, 8) Denmark, 9) Spain, 10) Finland.

4.3 Country Clustering

The country clustering process is a crucial step in the international market selection as it identifies groups of countries characterized by similar commercial, economic, political, and cultural dimensions.

¹ The individual factors of the cities considered were weighted according to the population share of the total population of all metropolitan areas larger than 500k in a country and combined per country.

According to Cavusgil, Kiyak and Yeniyurt (2004) it is more suitable for firms to attempt to standardize their services across various markets as this provides insights into structural similarities among countries. Out of the macro and micro indicators, few of them were chosen for the clustering analysis. Arguably, it is important to choose variables that have a high significance for WeShare but a low correlation among them. Given the short list of 22 countries, only a small number of the indicators can be used for the hierarchical cluster analysis. As shown in Appendix I, increasing the number of variables in the table reduces the validity and meaningfulness of the analysis. The Akaike-Information-Criterion analysis of the hierarchical cluster analysis with five low correlating factors shows the highest significance for 14 clusters, which is consistent with more than half of the number of countries. This shows that in the case of five indicators, no statistically relevant similarity can be identified between the markets. Consequently, the analysis was limited to three high indicators with low correlation but high significance, namely GDP per capita, the number of charging stations, and urban population which produces the following five clusters as illustrated in figure 6:

1. Romania, Hungary, Croatia, Bulgaria, Czech Republic, Lithuania, Portugal, Poland
2. Switzerland, Ireland, Sweden, Austria, Finland, Belgium, Denmark, Norway
3. Spain, Italy
4. Germany, France, United Kingdom
5. Netherlands

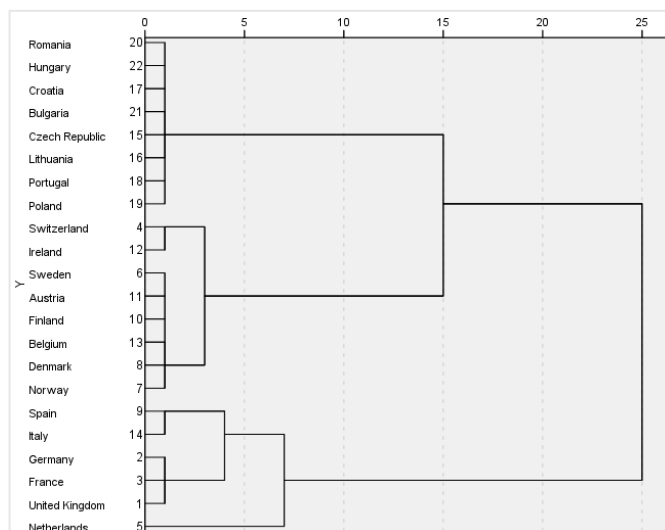


Figure 6: Hierarchical cluster analysis based on the factors number of charging stations, GDP per capita, urban population 2020 (own presentation)

According to this model, statistical similarities and thus, synergy effects between WeShare's domestic market Germany and Spain and Italy exist. However, low statistical similarities with Switzerland and Netherland can be derived, which were identified as two of the top five relevant markets for an international expansion in the ranking analysis. Breaking the clustering down to 2 dimensions to create a statistically more meaningful model supports this grouping. In figure 7 the dimensions number of charging stations and urban population 2020 form two groups.

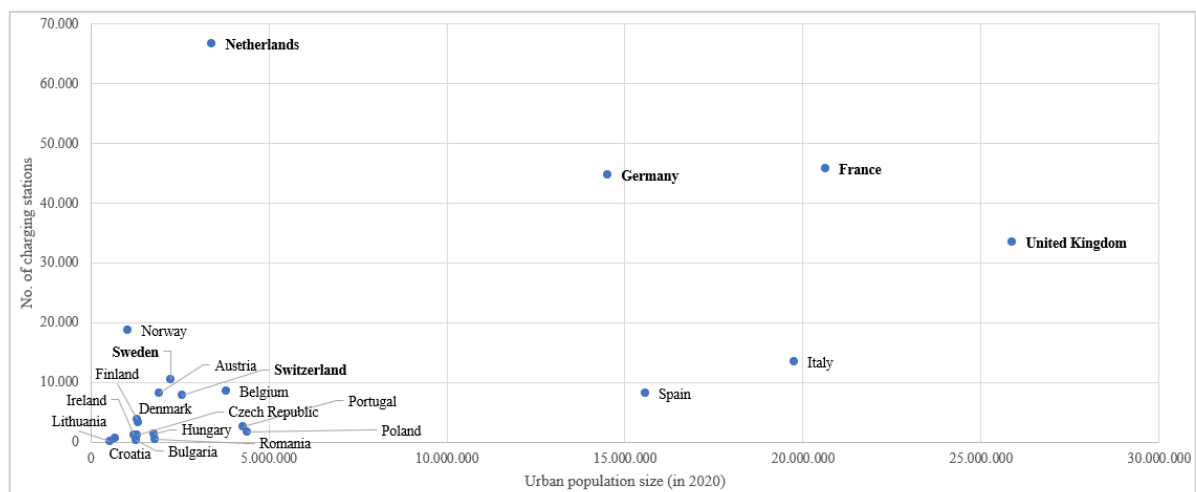


Figure 7: Two-dimensional country clustering based on the factors number of charging stations and urban population size in 2020 (own representation)

One large grouping consists of small populations with few charging stations and six surrounding countries, namely the Netherlands, Germany, UK, France, Spain, and Italy. The outer grouping can in turn be broken down into three sub-groupings: Netherlands; Germany, France, UK, Spain, and Italy. However, it is doubtful, to what extent three (or two) factors can sufficiently account for a meaningful model to describe similarities between the commercial, economic, political, and cultural dimensions of the markets. Therefore, only limited conclusions can be drawn from synergies between the countries which suggests a deviation of the country ranking results. For this reason, the country clustering in the case of WeShare can be attributed a low significance in the international market selection process.

4.4 Selection of the Five Highest Potential Markets

In selecting the five highest potential markets, a greater focus was given on the country ranking results assuming a limited viability of the two-factor clustering process. Nonetheless, the country clustering was considered, and aside from the markets identified in the ranking, Italy and Spain were considered at first. However, according to WeShare Spain, and especially Barcelona, as well as Italy do not provide favourable conditions for carsharing providers (Krohn 2021). As such, the five highest potential markets are the following: 1) United Kingdom, 2) France, 3) Switzerland, 4) Netherlands, 5) Sweden.

5. International Market Selection

5.1 Literature Review

WeShare, as a small service company, operates a free-floating car sharing business, which can be categorized under the broader phenomenon of the sharing economy. The market size of the sharing economy itself has steadily grown in the last decade, indicating exponential growth rates especially in recent years. The market size is set to grow up to 335 bn. US\$ by 2025 (Ostovits, et al. 2015). Subsequently, interest of scholars has increased in this research field. However, as of today the literature only offers definitions of the sharing economy, which are often incomplete or paradoxical and often lack to consider recent developments in the industry (Frenken and Schor 2017). Amongst researchers it is solely agreed on, how complicated it is to define the term “sharing economy” as it has become a catch-all label with substantial normative underpinnings (Acquier and Pinkse 2017). A comprehensive definition can be found in (Schlagwein, Schoder and Spindeldreher 2019, 829), who analyzed 152 sources and define “sharing economy” as the following: “the sharing economy is an IT-facilitated peer-to-peer model for commercial or non-commercial sharing of under-utilized goods or service capacity through an intermediary without transfer of ownership”.

International market selection processes for small companies have been reviewed extensively. According to Westhead, Wright, and Ucbasaran (2002) small firms prefer a direct exporting strategy to

keep control over business due to scarce resources, skills and knowledge. Service companies arguably choose full control entry strategies, however, may give up control as reaction of high integration costs or efforts. Choosing the country with the highest long-term return is the most attractive, which is difficult in practical terms as expansion is characterized by complexity and uncertainty (Erramilli and Rao 1993; O'Farrell and Wood 1994). In contrast, despite the increasing interest in the field of the sharing economy, there is only very limited literature that deals with the international market selection process of companies in the shared economy. Parente, José and Kong (2018) investigated the dynamics evolving around the internationalization of shared economy companies and claim that the questions, how companies in the shared economy develop and implement strategies, especially regarding the adaption to local conditions, internalization and the competitive environment is not yet sufficiently addressed by the literature. This is further underlined by Hossain (2020), who points out that although the shared economy is a global appearance and firms in the industry are usually characterized by brisk internalization processes, studies on the internalization of shared economy companies are still deficient. In terms of mobility in the shared economy, various forms and business models have been established (Standing, Standing and Biermann 2018). Car sharing in particular is constantly growing in terms of users and revenues, thus has gained in significance academically and practically. Nonetheless, existing studies in this field primarily aim to grasp the behaviour of customers and how to get people engage with car sharing (Weikl and Bogenberger 2013, Kim, Park and Ko 2019, Rotaris, Danielis and Maltese 2019). Regardless of the ever-growing popularity of car sharing, there is almost no literature, as far as the author was able to collect, that deals with the assessment of how car sharing companies expand internationally and select potential international target markets.

Parente et al. (2018) discuss how the most prominent existing international business theories such as the eclectic (OLI) paradigm Dunning (1980) can enlighten the nature of sharing economy firm's internationalization. As a result, some significant divergences such as the reduced internationalization requirements due to ownership advantages-based asset-lite business models and limited dependency on

location advantages can be identified. However, the paradigm is a suitable initial basis for further research that might need complement by further research and theoretical developments (Parente et al. 2018). Additional theory appliance points out that companies in the shared economy are not in need of reducing expenses or sourcing cheaper assets by transferring production abroad, which is advocated in the product life cycle theory (Vernon 1966). Accordingly, most of the prevailing motivations for a firm's internationalization, namely taking advantage of economies of scale and scope, achieving decreased input costs and imperfect market conditions are not agreeable to explain the reasons why these companies internationalize (Buckley and Casson 1976; Porter 1990).

To conclude, the field of internationalization of shared economy companies, especially in the car sharing industry, requires further research.

5.2 International market selection for SMEs

Small and medium-sized firms (SMEs) refer to corporations employing less than 250 persons and are due to their efficiency and flexibility the backbone of many economies (Musso & Francioni, 2014). At the same time, they are drivers of innovation in various industries as well as essential suppliers and business partners propelling the success of multinational enterprises (MNEs). However, their business activities are compared to MNEs often limited to their domestic market (Collinson, et al., 2017). The underlying reasons for that are often related to the limited resources SMEs can rely on, such as financials and expertise. Furthermore, are SMEs more likely to approach the international market selection (IMS) not systematically (Papadopoulos & Denis, 1988). Musso and Franconi (2014) identified that still, 75% of SMEs haven't implemented a systematic decision process for IMS as well as a positive correlation between firm size and systematicity during the IMS process (Musso & Francioni, 2014). Earlier literature shows a similar picture. Kothari (1978) discovered that 83% of SMEs in his sample entered their first foreign market without research (Papadopoulos & Denis, 1988). Tackling the potential for SMEs in a globalized world the following lines are analyzing different approaches to structure an IMS process in consideration of the barriers and challenges SMEs are facing.

Analysis of available literature shows that there are numerous studies and concepts about how to describe, structure, and systemize different approaches to the IMS decision process. The International Market Selection Process is described by Douglas and Craig (1989, 1992) as the initial step in the process of building up an international presence (Houlden & Collinson, 2005). More precisely it can be defined as *“the search of comparative information about countries, industries, products and/or consumers and the use of market and market selection knowledge”* (Papadopoulos & Martin, 2011). Three different approaches can be distinguished. Non-Systematic IMS approaches are described as the rule of thumbs to select those foreign markets that minimize the perceived psychic distance and are rather based on opportunism (Andersen & Buvik, 2002). Even this approach seems to be the prevailing state of action for most SMEs, evidence shows that an increased systematization of the IMS process positively affects the export performance of companies (Brouthers & Nakos, 2005). A Semi-Systemized IMS approach describes a decision process, where the search follows a methodical structure, but the analysis component is carried out by a subjective assessment (Papadopoulos & Martin, 2011). Lastly, Systematic IMS modes are further divided into qualitative and quantitative approaches, whereby the qualitative approach is based on in-depth research about a short-listed number of companies and the quantitative approach on a statistical analysis of a large amount of market data (Papadopoulos & Denis, 1988). The latter approach distinguishes market estimation methods and market clustering methods. Factors such as Market Size, Geographical Proximity, Cultural Distance, Country Risk, Competition, and Market Knowledge are recommended by scholars to compute market estimations (O’Farrell & Wood, 1994). By adopting a market clustering in the next step, similarities are intended to indicate synergy potentials (Kumar, et al., 1993). Literature points out the importance of grouping approaches like clustering to rely not only on aggregate data but also on product-specific indicators customizing clustering criteria to industries (Sakarya, et al., 2007).

In conclusion, it is evident that SMEs do not have the same level of international experience as MNEs, but as connectivity progress, barriers are removed for applying semi-systematic or systematic IMS

methods. The enhancement of their managerial decisions fosters success in international markets is crucial for mitigating arising risks based on the limited resources of SMEs (Brouthers & Nakos, 2005). Recognizing the importance of a systematic IMS process as well as the selection of the right criteria for comparing and grouping markets seem to be critical factors for SMEs in the process of internationalization.

5.3 In-depth Market Analysis of Each Market

With the objective of identifying the best target market country for WeShare, in the following, each of the forementioned markets will be analyzed in further detail. To do so, four main components will be analyzed: First, the market-entry conditions for each country will be analyzed, then possible contacts for WeShare in the countries will be identified. Third, a competitor analysis will be performed. Lastly, the market sales potential will be estimated.

5.3.1 United Kingdom

The in-depth analysis of United Kingdom can be found in the individual submission by Henri Erbach.

5.3.2 France

The in-depth analysis of United Kingdom can be found in the individual submission by Max Hartmann.

5.3.3 Switzerland

5.3.3.1 *Country Overview*

Switzerland is among the six highest-ranked countries not only the smallest in terms of geographical land area, but also characterized by the smallest population with around 8.6 mn inhabitants (World Bank, 2020a). With a population density of 219 people per square kilometer, Switzerland lays significantly above the European average (112) (World Bank, 2021a). In sum are 74% of its total population living in urban conglomerations, which refers to a citizenry rather fragmented into smaller municipalities (World Bank, 2021b). The major urban areas are Zürich, Geneva, and Basel, which are

all assigned to its separate canton. Zurich is the largest urban agglomeration counting 1,395 million inhabitants in 2020, expected to grow over 1,5 million until the year 2030. It is the only metropolitan area in Switzerland counting over 1 million citizens (United Nations, 2018). Zurich is considered as an industry and innovation hub having a GDP per capita of 101 th € which is laying above the countries average (World Bank, 2020d). As not being a member state of the EU, but of the EFTA, Switzerland relies on several bilateral agreements to maintain its commercial relationship with its most important trading partners namely Germany, Italy, France, and the UK (MarketLine, 2021). The official currency within Switzerland is the Swiss franc, which has been trading at an average exchange rate of 0,92 Euro within the past year (Yahoo!Finance, 2021).

5.3.3.2 *Contacts*

In a first step, the responsible municipal authority for managing all traffic related projects as well as the disposability of parking slots and charging stations is the first point of contact to evaluate the possibility of permits, partnerships, and concessions from the side of the respective city (Stadt Zürich, 2021a). Worth mentioning in this context is that the city of Zürich hasn't authorized any free-floating carsharing services at this point (Schindler, 2020). A different situation can be found in Geneva and Basel, where the city councils seems to be more open towards free-floating concepts, but still need to be approved (Mobility, 2020). Due to the very limited number of free-floating services within this country, there are no federations specifically focusing on this service but still several organizations which might be valuable contact in case of an expansion (Appendix B).

Furthermore, the VW group is deeply embedded in Switzerland. The enterprise has eleven service partners within the greater area of Zürich, three in Geneva and two in Basel. Altogether four service partners in Switzerland are specialized in high-voltage engines (AMAG Import AG, 2021).

5.3.3.3 *Competitor analysis*

According to a customer survey conducted by “Statista”, the most popular car-sharing brand within Switzerland is the Swiss company “Mobility” gathering 65% of customer votes gauging brand

preferences within the country. Furthermore, launched the AMAG services AG in May 2020 the licensed enterprise “Ubeeqo”. The peer-to-peer car-sharing platform “2EM” states to offer over 2000 cars on its platform, connecting car owners with private individuals looking for a car to rent. (Statista, 2021).

Mobility: This cooperative company has been formed in 1997 as a result of the merger between “ATG AutoTeilet” and “ShareCom”. It has a long tradition of car-sharing launching its first mobile application in 2010 and already offering electric vehicles in 2011 (Mobility, 2021a). In 2021 the company states to operate 2950 carsharing vehicles in total and have 245 thousand customers. Around 130 of those cars can be attributed to free-floating services, which are currently only active in Basel after discounting their services in Geneva due to insufficient demand (Mobility, 2020). With 1530 stations “Mobility” provides a comprehensive network of pick-up stations and return points in Switzerland. By stating that the company will go fully electric by the year 2030 and currently offering 144 EVs in their total car-sharing fleet, “Mobility” outlines its ambitions towards ecological sustainability (Appendix C). By partnering with SBB, the Swiss railway company, to rent 150 EV parking slots “Mobility” has a valuable alliance ensuring sufficient infrastructure for their services. Looking at the financials “Mobility” was able to generate a total revenue of over 75 million € in 2020. Notably, “Mobility” increased its EBIT despite the COVID-19 downturn by 2.2% up to 2,655 thousand € (Mobility, 2021a).

Ubeeqo: The French start-up “Ubeeqo” was 2017 acquired by the Europcar Groupe, currently operating its station-based car-sharing services in Barcelona, Madrid, London, Milan, Paris, Belgium, Germany, and Switzerland. The AMAG Services AG obtained 2020 the license to launch “Ubeeqo” services in Switzerland. In total “Ubeeqo” is operating around 100 cars at 18 different stations in Zürich, Basel, Bern, Lausanne, Zug, and Opfikon (A&W Verlag AG, 2021). More Details about fleet size and pricing can be found in Appendix C.

2EM: The peer-to-peer car-sharing platform “2EM” merged its services with the Swiss car-sharing start-up “Sharoo” in 2020 and is by the year 2021 the only peer-to-peer car-sharing provider in the country (2EM Car Sharing GmbH, 2020). By enabling institutional and private clients to rent out their car, its

purpose is to make “Mobility” more efficient and ecological. There are already more than 2000 vehicles available, which can be picked up at any time, due to a key box system (Appendix C). However, conditions such as price and maximum kilometers depend on the individual offer (2EM Car Sharing GmbH, 2021).

5.3.3.4 Determine market sales potential

The market sales potential is analyzed from three different angles. More precisely the revenue, total number of customers, and average revenue per user (ARPU) are being analyzed and broken down between the three major cities in Switzerland namely Zürich, Geneva, and Basel.

Revenue: The total revenue of car-sharing within Switzerland is estimated at around 91 mn € in 2020 and is expected to grow up to 162 mn € by 2023 (Appendix E). Table 2 explains how the total market has been broken down for the three major cities.

Users: While in 2020 around 390 th people have been using car-sharing services this value is expected to reach 460 th by the year 2020. The penetration rate will grow from 4.2% to 4.8% within the same period (Statista, 2021).

ARPU: The ARPU is expected to grow from 236 € up to 350 €. Looking at this key figure Switzerland has the highest value within Europe (Statista, 2021).

City	Population 2020	Population 2023	Relative share	Revenue 2020 in €	Revenue 2023 in €
<i>Zürich</i>	1.394,064	1,427,790	54.36%	49,470,519	88,068,396
<i>Geneva</i>	611,000	623,147	23.82%	21,676,887	38,589,623
<i>Basel</i>	558,885	570,704	21.82%	19,852,594	35,341,981
Total	2,563,949	2,621,641	100%	91,000,000	162,000,000

Table 2: Market share per city

5.3.3.4.1 Determine Company Sales Potential

Table 3 outlines, how the market has been derived from the number of cars in operation. Since Zürich hasn't opened its city for free-floating services it has been excluded from the calculations. In the case WeShare would enter Geneva and Basel with a similar car density as in Berlin, 400 cars are required, and the market share would count around 12% generating a revenue of 16,320 th €. The full calculations and further scenarios including the case that Zürich would permit free-floating can be found in Appendix F.

Provider	Car fleet size	Market share	Carsharing revenue 2023 in €
<i>Mobility</i>	2950	86%	119,128,695.65
<i>Ubeego</i>	100	3%	4,038,260.87
<i>WeShare</i>	400	12%	16,153,043.48
Total	3.450	100%	139,320,000.00

Table 3: Market Share (Expansion to Geneva and Basel)

Table 4 provides some additional information about how the market share can be broken down by city. Assuming WeShare gains the same market share in Switzerland as in Germany a revenue of 12.5 mn € must be generated (Table 4).

City	Market Sales Potential 2023 (in mn €)		Country Company Sales Potential Calculation (in mn €)				
			at market share in percent				
		9%	10%	20%	25.00%	30%	
<i>Zürich</i>	75,738,821	6,816,494	7,573,882	15,147,764	18,934,705	22,721,646	
<i>Geneva</i>	33,187,075	2,986,837	3,318,708	6,637,415	8,296,769	9,956,123	
<i>Basel</i>	30,394,104	2,735,469	3,039,410	6,078,821	7,598,526	9,118,231	
Total	139,320,000	12,538,800	13,932,000	27,864,000	34,830,000	41,796,000	

Table 4: Market share sensitivity analysis

 = Market Share Germany

5.3.3.5 Market entry conditions

Every canton within Switzerland has due to its federalist system individual regulations. To determine the very specific entry conditions for WeShare, the Swiss market is analyzed in an incremental scheme, first on a national level and then each relevant canton individually.

5.3.3.5.1 Standards and Regulations Affecting the Car-sharing Industry

While the station-based car-sharing market in Switzerland dates back to 1987, the free-floating car-sharing industry within Switzerland is still in a very early stage. In fact, “Mobility” launched the first free-floating service in 2014 in Basel and four years later in Geneva (Becker, et al., 2016). In terms of industry-specific laws, car-sharing is still not explicitly defined and regulated via the federal office for traffic and transportation (BAV). To be authorized for starting a car-sharing service in Switzerland three different requirements need to be met. More precisely a technically qualified person must be documented to operate the business, proof of sufficient financial funds must be delivered, and permission of the local authorities must be issued to be allowed to park shared vehicles in the municipal area (Bundesamt für Verkehr (BAV) 2021). Latter seems to be strongly regulated and varies significantly in-between different municipal areas especially for free-floating services. Since Basel and Geneva opened their city area only to free-floating car-sharing services run by the Swiss company “Mobility” in cooperation with state-owned company's such as “EnergieSchweiz” as well the fact that the city of Zürich is still reluctant on authorizing free-floating car-sharing services, the local entry barriers seem to be a major hurdle in the process of launching free-floating services in Switzerland (Janasz, 2017). The canton of Zürich is in his most recent strategy and action plan outlining the potential arising through car-sharing and emphasizing initiatives to increase data transparency with car-sharing companies but is not explicitly further discussing free-floating concepts and a possible change of regulations (Kanton Zürich, 2021a).

5.3.3.5.2 Registration

Given the necessity, that every car must be registered in its respective canton, it is imperative to register a business within Switzerland to start a car-sharing service in this region. In this context, a minimum capital investment of 18.7 th € is required for founding an enterprise with limited liabilities in Zürich. The legal procedure can be divided into five major steps which are estimated to require at least ten days for being completed. Additional costs of around 1.9 th € are expected to arise for bank fees, notarial acts,

local commercial registration fees (World Bank 2020). Based on the prevalent vehicle tax policy there are currently no taxes or tolls for electric vehicles within the canton of Zürich (Kanton Zürich, 2021b). A similar picture can be found in Geneva, where EVs are free of tax and tolls, other than in Basel where around 113€ vehicle taxes are due per year for a VW ID3 (electric WOW, 2021)

5.3.3.5.3 Congestion and parking in Zürich, Geneva, and Basel

Zürich is ranked among the best cities within Europe looking at its congestion KPIs. Only 1.85% of the city road network are congested during peak times which is the second-best performance out of 38 major cities around the world (HERE 2021). This fact can be attributed to the efficient public transportation network, which shows an increase in popularity by 17% since January in terms of routing requests (Apple Inc. 2021). The parking costs within the city of Zürich amount to around 280 € per city resident. However, the city council of Zürich is currently negotiating new parking regulations increasing the parking permit fees up to 730 € per vehicle also allowing to register a vehicle together with other citizens for shared use. (Stadt Zürich, 2021b). In terms of congestion, Geneva is slightly lower ranked than Zürich having a higher congestion level in 2020 (TomTom International BV, 2021). Furthermore, public transport had a surge of 35% in the past twelve months, while routing requests for driving only increased by 11%. In Geneva parking is even cheaper with around 200 CHF for an annual ticket. Basel had the lowest congestion level out of the three cities being analyzed (TomTom International BV, 2021). This city is like Geneva characterized by a significant increase in public transportations (30%) in the past months and a relatively low rise in driving route requests (8%). Parking in Basel is slightly more expensive with an annual ticket costing 284 CHF (Hug, 2020).

5.3.3.5.4 Available Infrastructure and Distribution Channels

According to “Chargemap”, there are 139 EV charging stations active within the city center of Zürich, which can be used to operate the vehicle fleet of WeShare (Chargemap, 2021a). This information is in line with the Urban Mobility Index, which states that Zürich offers 104 EV charging stations per 1 mn inhabitants which are compared to other European cities a mid-ranked value (HERE 2021). The cost

for charging the car on a public rapid charging station from 0 to 80% is estimated at around 20.56 € (Lilly, VW ID.3 charging guide 2021). Within the city of Geneva are just 56 public charging stations available, which means that there is relative to its population less capacity for recharging a fleet of EVs (Chargemap 2021b). In Basel is a similar prevailing situation with 51 public charging stations available to power a car-sharing fleet (Chargemap, 2021c). Examining the digital infrastructure in Switzerland it is evident that the technological infrastructure within Switzerland is among the top three worldwide referring to a high smartphone penetration rate, and secure internet accessibility. The 4G network availability covers over 85% of the country meaning all urban areas have access to an average download speed of 30,38Mbps (Opensignal Limited 2018)

5.3.3.5.5 Payment and Financing Methods

In terms of payments, the shift from physical money towards digital alternatives such as debit cards, credit cards, and mobile payments is significant in Switzerland (Statista, 2020). According to a survey of the Swiss national bank are 78% of the Swiss population are holding a credit card which is currently together with PayPal the only way to pay for car-sharing services of WeShare (Swiss National Bank, 2021). For financing a possible expansion to Switzerland WeShare would rely on liabilities to affiliated companies, meaning that the VW group would provide the required liquidity. However, Switzerland is hosting various financial institutions and banks such as “Credit Suisse” or “UBS” to provide financial services (UBS Group AG, 2021) (Credit Suisse Group AG, 2021).

5.3.3.5.6 Documentation

In terms of documentation in Switzerland, there are several guidelines and laws applicable. The usual minimum preservation time for accounting documents is ten to twenty years. (Dr. Widmer& Partners, 2014)The maximum retention period of personal data is defined by the Federal Data Protection Act and provides that the data is allowed to be kept until the subsequent purpose of the collection is achieved. Interpreting this law for the car-sharing industry it would mean that personal data must be deleted after

a subscription has been cancelled. Either way, it is recommended to act in line with international standards such as the ISO15489 which specifies standards for records management (PwC, 2021).

5.3.4 The Netherlands

The in-depth analysis of Netherlands can be found in the individual submission by Nick Wessels.

5.3.5 Sweden

The in-depth analysis of Sweden can be found in the individual submission by Ann-Kathrin Kopf.

5.4 Selection of Target Market

In the following, the five markets will be compared and the final target market for WeShare will be justified. Since all market show advantages and disadvantages, the process will follow a qualitative exclusion criteria process complemented by a quantitative comparison. The countries will be assessed based on the following dimensions: entry barriers, competitors, contacts, market sales potential, company sales potential, and synergy potential. Each dimension will receive a weight and the countries rank (1-5) will be multiplied with the weight. The ranking score indicates how well the country performs in the categories, with 1 being the lowest and 5 the highest score.

Criteria	Entry barriers	Competitors	Contacts	Market sales potential	Company sales potential	Synergy potential	Total
Weight	25	20	5	20	20	10	100
<i>United Kingdom</i>	25	80	10	100	100	50	365
<i>France</i>	100	60	20	80	80	40	380
<i>Switzerland</i>	75	100	5	60	40	20	300
<i>Netherlands</i>	125	40	25	40	60	30	320
<i>Sweden</i>	50	20	15	20	20	10	135

Table 5: Target market selection criteria and evaluation

Table 5 shows the results for the quantitative weighting and evaluation revealing France to be the most attractive market for WeShare's expansion.

Given the high relevance of entry conditions in the industry, the criterion “entry barriers” was further divided into four criteria to ensure a profound decision (table 6):

Criteria	Registration	Parking	Charging infrastructure	Mobility and congestion	Total
Weight	10	30	30	30	100
<i>United Kingdom</i>	50	30	60	30	170
<i>France</i>	30	150	120	60	360
<i>Switzerland</i>	10	120	30	150	310
<i>Netherlands</i>	40	90	150	120	400
<i>Sweden</i>	20	60	90	90	260

Table 6: Target market selection according to entry barriers

United Kingdom: Overall, the UK appears to be a promising market for carsharing providers. The UK has a high level of urbanization and several major cities to which carsharing companies can expand. In addition, the UK has the highest projected market sales potential of all countries considered and its government is in the development stage of building up an extensive charging infrastructure for EVs. The country is also committed to promoting sustainable mobility solutions, but so far there seems to be a lack of concrete measures to actively support the carsharing sector. The biggest challenge for starting a carsharing business in the UK is the process of obtaining parking permits in London, as these must be negotiated individually with all boroughs. Also, Brexit complicates the process of entering the UK market for EU businesses, due to new regulations and more bureaucratic burdens.

France: France being the third largest economy in Europe and showing a high affinity to the tertiary service sector and technological developments is a highly interesting expansion target. The combination of the largest urban areas, namely Paris, Lyon, Marseille, and Bordeaux offer a huge market potential and user base. The combination of the largest urban areas, namely Paris, Lyon, Marseille, and Bordeaux offer a huge market potential and user base. Moreover, the country is European role model in protecting the environment by reducing emissions and support the EV industry. In this context, the city of Paris offered a carsharing service “Autolib” and established the necessary infrastructure of charging stations in cooperation with the Bolloré group. Current developments indicate that the city of Paris is willing to

foster the carsharing sector with favourable conditions. Although competition is strong and WeShare cannot leverage its electrification USP, the market offers a high potential with high growth rates and synergies can be generated by targeting other urban areas such as Lyon in the long run.

Switzerland: Switzerland's residents have a high purchasing power, advanced digital infrastructure, and governmental ambitions towards traffic electrification. Based on its constitutional organisation the regulations for carsharing differ along different city councils. However, Zürich as the most attractive city lacks behind in public EV charging stations compared to other cities. Furthermore, Swiss cities seems to prefer to cooperate with local companies, such as "Mobility" to work on integrated city mobility solutions.

Netherlands: The Netherlands have good market entry conditions and few regulations. The country has a strong infrastructure including Europe's densest EV charging network, especially in the largest metropolitan regions Amsterdam and Rotterdam. Before car sharing, the focus of the bicycle country lied on the development of bicycle infrastructure and reductions of parking spaces and car traffic overall. The state promotes car sharing; however, carsharing policies are regulated at municipal level, which are overall insufficient. A major obstacle is the very competitive landscape due to strong indirect and direct competition, especially in Amsterdam. Therefore, the company sales potential is comparatively low.

Sweden: Sweden looks like an enticing location for a carsharing provider. The population is young, tech-savvy and growing. The Nordic country is also among the world's most supportive policy environments for EVs, increasingly being favoured for carsharing fleets. However, the Swedish market is extremely competitive with four players in the market, and two of them offering the same service as WeShare. Consequently, WeShare's USP is insufficient and indistinguishable. Furthermore, the Swedish market size is significantly smaller compared to the other markets. For instance, in 2025, Sweden only reaches roughly 8% of the market size of France.

Final Decision: Ultimately, the group decided between France and the UK as the target markets. The final decision is to target France, due to the strong economical position and a high market potential of

526 mn \$ in 2025. Moreover, France is open to foreign investments and both cities, Paris and Lyon show strong commitment to car-sharing providers, thus offering favourable market conditions. Paris is ranked 2nd in terms of EV charging stations infrastructure and carsharing is a fixed component of the cities strategy to become emission free in the future.

6. International Entry Strategy

6.1 Selection Criteria

Factors that influence the market entry mode selection are broad, but research suggest a clustering into three categories: internal, external, and a mixed, internal/external category. Some of these categories are intercorrelated meaning a change in one factor might simultaneously influence others, increasing the complexity of the decision process (Koch 2001). Internal factors are for instance the company size and availability of sufficient resources that determine the market servicing options (Benito and Welch 1994). Further internal drivers are the firm's previous experience in using entry modes, the willingness to take risks, the firm's financial targets, and the management locus of control (Koch 2001). External factors mainly focus on characteristics of the foreign business environment and industry and company-specific potentials. Specific market barriers as well as feasibility and viability of certain entry modes in a country are also among critical factors that influence the decision about the expansion strategy. Lastly, competencies, capabilities, and skills that are required to establish international competitiveness must be evaluated before entering a market. The latter depend on the context components such as product and service category, the area of presence, and the form of the business and strategic objectives (Johannson 1997). Additionally, the sufficiency and reliability of data to compare entry modes and the above-mentioned criteria to make an informed decision is critical as well (Koch 2001).

6.2 Analysis of Alternative Entry Modes

Aside from evaluating different selection criteria, a firm must compare different forms of market entry modes: exports, contractual agreements, shared ownership (e.g. joint ventures) and full ownership (e.g.

greenfield investment or acquisition). Research has shown various forms of classifications for these entry modes. First, according to the ownership level ranging from fully owned to partially owned subsidiaries (Hennart and Larimo, *The Impact of Culture on the Strategy of Multinational Enterprises: Does National Origin Affect Ownership Decisions?* 1998); second, according to the establishment mode (greenfield investment vs. acquisition) (Brouthers und Hennart, *Boundaries of the Firm: Insights From International Entry Mode Research* 2007), third, according to non-equity methods versus equity methods (Hennart, 1988, Hennart 1989, Brouthers and Nakos, 2004), and fourth, according to different levels of control and risk and different levels of resource commitment (Anderson and Gatignon 1986, Hill, Hwang and Kim 1990). This work relies on the third approach, classifying entry mode strategies according to the continuum ranging from non-equity to equity entry modes. Consequently, for the firm choosing whether to opt for a non-equity or equity mode of entry is the first step. Depending on the level of commitment the firm wants to have, the two options provide different advantages (Appendix O).

6.3 Entry Mode Selection

For WeShare, an export strategy, meaning a non-equity entry mode is not an option given that WeShare cannot directly or indirectly export their services to a foreign country. Similarly, a licensing or franchising strategy is irrelevant given that for WeShare's business model a contractual arrangement is not applicable. Consequently, an equity entry mode strategy is the prevailing method of entering the French market. For WeShare, having full control over their international operations and their firm's ownership is a necessary aspect of their expansion abroad. This allows an easier management of their fleet size, marketing and pricing activities, and the whole customer journey. Given their well-diversified and international team, they can build on internal expertise about the French market and leverage the knowledge to enter Paris successfully. As part of the UMI and the VW Group, WeShare is limited in their risks of an international expansion given the global presence of the mother company. As part of the UMI and the overall VW group, WeShare is in the favourable position to leverage financial resources and internal expertise. Given that VW is a multinational player, the brand exposure and

especially VW's willingness and interest to highlight their transformation towards becoming an environmentally friendly and forward-thinking mobility company are beneficial for WeShare. Accordingly, WeShare is financially stable enough to take on substantially more risk than in a non-equity entry mode and can thus conquer a higher risk factor of a greenfield investment. As such, a whole owned greenfield proves to be the most suitable and successful solution for WeShare to expand to Paris.

7. Marketing Plan

The following chapter will focus on the marketing strategy to successfully launch the WeShare service in France. To start with, WeShare's marketing objectives are derived based on a comprehensive external situation analysis coupled by an internal resource analysis (see Appendix P). Later, the market segmentation and potential targeting will be analysed followed by WeShare's positioning in the market. Lastly, the 7P approach will be used to formulate WeShare's overall marketing strategy in France.

7.1 Marketing Objectives

The formulation of clearly defined objectives or goals is a fundamental part of the marketing concept and lack of a goal-oriented focus puts a company at risk of degenerating into muddling through if it reactively adapts to environmental changes (Raffée 1984). A goal defines a desired future an organization wishes to achieve and guides the activities of a company. Furthermore, goals have a positive influence on motivation and employee commitment and serve as a means of measuring performance (Locke and Latham 2013, Locke and Latham, 2002). Hence, marketing objectives should be measurable, attainable, realistic, and time bound (Meffert, Burmann and Kirchgeorg 2015). Two aspects must be considered when formulating marketing objectives of WeShare's expansion into the French market. Firstly, the situation analysis (Appendix P.1) forms the basis for the objectives which need to be defined in the context of the company meaning UMI and VW (Granger 1964, Kotler, Keller and Bliemel 2007, Meffert, Burmann and Kirchgeorg 2015). The overarching management goals define

the type of performance as part of the overall economy and the direction of the company (Becker 2013, Steiner 1971). For UMI these objectives are defined as follows:

Purpose: Develop, offer, and bundle IT and platform-based VOD services of V.

Mission: To provide the advantages of an own car but shared.

Vision: To make every care shareable and emission free.

Values: Sustainable and decarbonized solutions with 100% emission-free alternatives.

WeShare's objectives must meet VW's underlying sustainability requirements and UMI's business objectives. From these objectives, action-oriented goals are derived on company level and are broken down on department level which include profit and other financial targets. UMI's corporate goals were not accessible but besides profit targets, environmental and social goals are assumed to be of importance. Economic² and psychographic short- and long-term objectives are defined (see table 7):

Marketing Objectives		Short-term		Long-term
		First year	Second year	Fifth year
Economic	Revenue target	14,244,000 €	31,840,000 €	33,160,000 €
	Market share	21%	46%	46%
	User (downloads)	190,000	270,000	300,000
	Active users	60,000	130,000	134,000
	User activation (daily trips /car)	5,75	5,75	5,75
Psychographic	Operational areas	Central and Western Paris	Total Paris	Paris, Lyon, Marseille
	Brand preference	Top Brand Preference across operational areas	Top Brand Preference in total Paris	Top Brand preference across all operational areas
	Brand awareness	Brand Recall in Paris	Top of Mind Awareness in Paris	Top of Mind Awareness across all operational areas
	Brand perception	WeShare as the most sustainable and socially responsible free-floating carsharing provider. across France		

Table 7: Short- and long-term marketing goals for WeShare in France

² The economic goals result from the P&L forecast which considers calculations of the respected market situation in France.

7.2 Segmentation

The market segmentation process is a fundamental step in defining the target group and marketing mix. Sheth (1967, p. 728) described the market segmentation as “essential to marketing” and the concept rests on the belief that different segments or groups of customers have different demands for a product or service. As such, according to Howard and Sheth (1969, p. 70) identifying and dividing economically viable segments with sufficient size is a crucial marketing responsibility. The carsharing market is characterized by a broad set of different consumers, each with their own needs and behaviours. Consequently, the following segmentation process seeks to identify potential WeShare users according to parameters to ideally, satisfy their set of needs. In general, the consumer market can be segmented in four broad categories: demographic, behavioural, psychographic, and geographic (Martin, 2011).

Demographic segmentation: The segmentation approach seeks to divide the market into groups according to demographic variables such as age, gender, ethnicity, nationality, family size, education level, income level and others. For WeShare, demographic segmentation is less relevant given that WeShare targets every person older than 21 who owns a valid driving license.

Psychographic segmentation: The psychographic segmentation is used to segment customers according to lifestyle, activities, interests, personality traits, or values and opinions (Tynan and Drayton 1987). While WeShare’s customers tend to be environmentally conscious, for WeShare it is not relevant given that WeShare in general targets every user who is interested in a flexible carsharing service.

Behavioural segmentation: Behavioural segmentation divides consumers based on their use of a specific product or service. As such, usage rates, benefit types, brand loyalty, purchase behavior, and frequency of use are important variables (Tynan and Drayton 1987). Given a low brand loyalty and high price sensitivity, behavioral segmentation does not provide sufficient benefits for WeShare.

Geographic segmentation: Lastly, geographic segmentation divides a market according to location and thus, creates different target customer groups based on predefined geographical boundaries. The

segmentation approach is based on the belief that customers living near each other share the same set of needs and wants. The geographic markets can be analyzed globally, nationally, regionally, or locally (Tynan and Drayton 1987). For WeShare, a geographic segmentation is most useful since it allows to identify number and size of both, relevant regions in France but also city districts in Paris which is a crucial starting point in identifying the car fleet size and placement of WeShare cars. More precisely, due to the focus on a high population density and geographic characteristics, this approach is most useful for WeShare. Thereby, to start with, overall French market can be divided into segments. As such, segmentation on the basis of regions (e.g. North, North-West, Mid-West, South, Central, Eastern) or population density (central business districts, urban, suburban, regional) is useful. For this project, the suggested segmentation is based on the population density in the French regions. In total, 18 regions can be identified with Île-de-France being the largest with a population density of 1,022 residents/km² followed by Mayotte with 747 residents/km² (Insee 2019).

Given that WeShare seeks to expand across the largest cities in terms of population size and density in France, it is useful to associate the cities with the afore identified regions. Paris is in the Île-de-France region, Marseille as the second largest French city is in the Southern part of France in the Côte-d'Azur Provence-Alpes with a population density of 161 residents/km². The third largest city being Lyon is in the east-southern part in the Rhône-Alpes which has a population density of 115 residents/km² (Insee 2021). It shows that while expanding to the largest cities in France at first is useful to establish the WeShare brand and to reach a large customer group, but France shows greater potential.

Since the preliminary analysis showed that an initial expansion to Paris is most useful, a closer look on the greater Parisian metropolitan area is necessary. In general, Paris is divided into 20 districts, or "arrondissements" (see Appendix Q). Each of these districts is further divided into four quarters. To analyze the arrondissements, factors such as population, population density, and income level were considered (see Appendix R). In terms of population, Vaugirard (15th arrondissement) is the largest arrondissement with a total population of 235,469 inhabitants (Insee 2021). Vaugirard is followed by

Ménilmontant (20th arrondissement), in the south-eastern part of Paris with a population of 196,884 and Butte-Montmartre (18th arrondissement) with a population of 196,143 inhabitants.

While population is a relevant factor, the population density is arguably even more of relevance for WeShare. In terms of population density, Popincourt (11th arrondissement) has the highest value with a density of 40.419 inhabitants/km² followed by the second largest arrondissement Ménilmontat with 32.924 inhabitants/km², and Butte-Montmartre with 32.636 inhabitants/km² (Insee 2021). As the frequency of use of carsharing services is higher in wealthier and more prosperous areas, demographic segmentation variables such as income level measured by average hourly net salary rates are important contributing factors in segmenting the arrondissements. In terms of wealthiness level, the districts Palais-Bourbon (7th arrondissement) and Passy (16th arrondissement) stand out with an average hourly net salary rate above 40 EUR. The total area of the 20 arrondissements combined is defined as the central Parisian area. The outer areas are Paris' suburbs, so-called banlieues, and comprise the urbanized zone around Paris city centre. The northwest and northeast are characterized by former working-class and industrial zones whereas in the west, the population generally belongs to the upper class. In general, middle-class, and upper-class residents live in the western part of the city, while the northeast has a concentration of residents who are immigrants and who live in poverty.

7.3 Targeting

WeShare is characterized by a diverse range of users which shows that WeShare is well positioned in a way that many can identify the brand with their lifestyle. WeShare's most frequent users are people between 30 and 40 having a high and flexible demand for mobility but at the same time having the intention to move as sustainably as possible (Krohn 2021). To start with, Paris will be the first city that WeShare should target due to the high market sales potential and established awareness of carsharing. Targeting Lyon, Marseille, and Toulouse at the same time would entail costs and financial risks that are too high at the beginning. The preceding segmentation shows potential in either targeting a lower number of people in terms of population, but higher income levels or more dense districts characterized

by a lower income level. Arguably, a high population density was a decisive factor in identifying the country and city for WeShare to expand to. However, Paris' overall population density has been analysed to be sufficient for a free-floating carsharing service. Hence, now, the wealthiness of the arrondissements is more relevant. By sorting according to income level, Palais-Bourbon shows to be the most promising arrondissement, followed by Passy, and Elysée. These arrondissements are in central or West Paris, following the logic of geographic distribution between lower, middle, and upper class. For WeShare targeting the Western area and central Paris is most useful, followed by an expansion in all arrondissements. Table 8 shows the 12 arrondissements (7-15) which should be targeted first:

Arrondissements	Population	Population growth annually	Population 2023	Area (in km ²)	Population density	Avg. net salary/h (in EUR)
7 Palais-Bourbon	53.415	0,005400	54.578	4,090	13.060	42,8
16 Passy	167.706	0,005400	171.358	7,850	21.364	41,3
8 Elysée	37.053	0,005400	37.860	3,880	9.550	38,4
6 Luxembourg	41.831	0,005400	42.742	2,150	19.456	37,4
9 Opéra	60.235	0,005400	61.547	2,180	27.631	29,9
17 Batignolles-Monceau	169.375	0,005400	173.063	5,670	29.872	28,9
1 Louvre	16.338	0,005400	16.694	1,830	8.928	28,8
5 Panthéon	59.947	0,005400	61.252	2,540	23.601	28,6
3 Temple	35.469	0,005400	36.241	1,170	30.315	28,4
4 Hôtel-de-Ville	27.795	0,005400	28.400	1,600	17.372	28,0
2 Bourse	20.410	0,005400	20.854	0,990	20.616	27,9
15 Vaugirard	235.469	0,005400	240.596	8,500	27.702	25,8
10 Entrepôt	92.660	0,005400	94.678	2,890	32.062	22,9
14 Observatoire	138.218	0,005400	141.228	5,620	24.594	22,7
11 Popincourt	148.339	0,005400	151.569	3,670	40.419	22,6
12 Reuilly	142.661	0,005400	145.768	6,380	22.361	21,8
18 Butte-Montmartre	196.143	0,005400	200.414	6,010	32.636	20,1
13 Gobelins	183.117	0,005400	187.104	7,150	25.611	19,4
20 Ménilmontant	196.884	0,005400	201.171	5,980	32.924	18,3
19 Buttes-Chaumont	187.760	0,005400	191.849	6,790	27.652	17,5

Table 8: Sorted population, population density, and income level according to income level (own representation)

Given that WeShare's direct competition such as ShareNow is present in all districts with a lower number of cars, WeShare can target a more narrow and wealthier group of potential customers with a higher number of cars and thus, provide better availability to their customers. Following the logic of car density in Berlin but considering the competitive environment in Paris, the number of cars necessary to cover the Parisian market was calculated (see table 9).

Country	City	Area (in km ²)	Number of cars	Car density per km ²
France	Paris initial target	42	849	20,00

	Paris overall city potential	87	1739	20,00
Germany	Berlin	150	1500	10,00
	Hamburg	109	800	7,34

Table 9: Calculation of number of cars to enter Paris (own representation)

The car density per km² in Berlin was doubled to reach a density of 20 cars per km² in Paris to ensure a sufficient number of cars across the districts. A large availability of cars is assumed to be of relevance especially in wealthier districts. Consequently, given an area of approximately 42 km² a car fleet size of 849 cars rounded up to 850 cars is suggested. After an initial pilot phase, the number of cars is suggested to be increased to 1.739, or 1.750 cars to lower complexity.

7.4 Positioning

Kotler, Keller and Bliemel (2007) defines brand positioning as “the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market”, consequently it is of crucial to differentiate a firm from its competition. In terms of positioning, WeShare should stay true to its brand and follow a similar approach as in Germany. WeShare should stick to its USP and continue to position itself as the most sustainable and innovative car-sharing provider, as outlined in the marketing objectives. This will allow them to stand out from the competition in the eyes of their customers. However, this also means that WeShare must ensure that they only use 100% green electricity in France as well, to be able to use this as a differentiator for their service.

However, there are other factors that WeShare can use to position itself effectively. Since WeShare's strategic goal for France is to expand first and then penetrate the market by providing the most cars, WeShare should position itself as the carsharing provider with the highest availability, always having cars near customers. In addition, WeShare needs to position itself as the quality leader as price leadership is infeasible due to the slightly higher cost factor resulting from the exclusive use of EV's and green electricity. This quality leadership can be ensured by using modern EV's that are well maintained and kept clean, as well as through excellent customer service. Due to the highly competitive pricing of

daytrip competitors, WeShare's focus should be on short-term use cases. In addition, the focus of marketing activities should initially be on B2C business to quickly achieve a high level of brand awareness after entering the French market.

7.5 Marketing Mix

In the following, the marketing mix will be elaborated as a result from the foregoing situation and resource analysis, and segmentation, targeting, and positioning process and is centrally aligned to the achievement of the defined marketing objectives. The marketing mix is defined as a set of controllable marketing tools consisting of parameters that WeShare can utilize to shape their marketing strategy to meet the needs of the identified target groups (Ivy 2008). For WeShare, the 7P approach is applied given that it is a service offering relying on the service that is delivered. As such, the following factors will be analysed further: product, price, place, promotion, people, physical facilities, and processes.

7.5.1 Product/Services

The product is the set of tangible features and eventually what is being sold to the customer comprising a complex bundle of benefits that seek to meet customer needs (Ivy 2008). In the case of WeShare, the service should be transferred to the French market to ensure competitiveness. The product is the network of cars accessible via an app, meaning the car fleet that is provided. As such, the ID.3 is useful given its compact size lowering complexity and probability for accidents in the congested city centre. If applicable and necessary, the fleet can be enhanced by the ID.4 after an initial market entry pilot phase. However, at the beginning, entering the market with the ID.3 produces lower costs and WeShare can grasp an understanding of customer habits and behaviours. All products will be 100% electric and thus, follow WeShare's sustainability vision. In terms of service, which is offered, customers can book WeShare's free-floating carsharing service which is available in the predefined business areas in Paris.

7.5.2 Price

To enter the market, a competitive pricing strategy is useful to establish the brand given the price sensitive industry. Nonetheless, a constant availability of many cars in proximity of the potential customers according to the principle of high car density would justify slightly higher prices. WeShare's more expensive service can similarly be justified by a focus on superior quality and customer care. Especially wealthier clients can be assumed to value high quality in terms of seamless service, clean and fully charged cars, and a high availability.

The pricing is suggested to be dynamic in that sense that especially in the beginning, a large number of discounts and promotions are offered to the potential customers. As such, people can profit from lower prices or special discounts to get aware of the service and benefit from lower prices. The pricing also largely depends on the cost structure that is driven by labor costs and electricity. Notably, the costs for electricity differ as well, while in Germany the price per kWh is at 0,31 €, in France the price per kWh is at 0,1933 € (Eurostat 2021).

In general, the pricing of WeShare and WeShare+ services is based on a few assumptions to find competitive prices for the French market. First, it is assumed that the cars have a similar utilization rate as in Germany. Furthermore, the fleet size will consist of 850 cars in the beginning and will later be doubled up to 1.750 cars. Lastly, the same trip per day rate as in Germany will be assumed to identify the pricing for their services.

7.5.3 Place

The expansion to the city districts follows the logic and sorting described in the targeting section. Given the higher probability of using carsharing services in wealthy areas, the Western area of Paris is promising. Additionally, according to a study conducted by Le Boennec, Nicolai and Da Costa (2019) the deployment of new carsharing offers starts in the central city of Paris due to the low distances to be travelled compared to outer suburban areas. Hence, for WeShare, an initial car fleet of 850 cars for the

central and western Parisian area is suggested, followed by an expansion after the first six months of operation to other southern and eastern districts. In numbers, this means WeShare's business area comprises an initial area of 42km² and 87km² in Paris by the end of the first year. Subsequently, a national expansion across France is planned to gain market share in Lyon, Marseille, and Toulouse. A broader expansion to greater Parisian suburban areas is being excluded given the variation of population density in these areas. A national expansion with an established brand to further wealthy and population dense cities in France is assumed to be a more reasonable approach to rapidly gain market share.

7.5.4 Promotion

In the case of free-floating carsharing providers, promotion is essential when entering a new market (Krohn 2021). To achieve the marketing objectives and ensure WeShare's successful market entry in the French market, comprehensive communication planning and the development of targeted benefit programmes are crucial. In the context of marketing, communication is to be understood as the sending and encryption of information to achieve an effect on the recipient, which in turn brings the fulfilment of the marketing and corporate goals. Therefore, WeShare's communication should promote the sale or use of the service.

In theory, a customer passes through six steps before making a purchase: awareness, knowledge, liking, preference, conviction, and purchase sales (Ladvidge and Steiner 1961). This process is generally referred to as the marketing funnel, especially in the digital context. It is therefore important to align communication in a way that customers are guided through the funnel successfully, quickly, and continuously. To achieve this, WeShare's communication activities must be geared on five levels: brand awareness, branding, customer acquisition, customer activation, and customer retention / relationship (Kotler, Keller and Bliemel, Marketing-Management 2007, Meffert, Burmann and Kirchgeorg 2015).

Awareness: At the beginning, the selected target group must become aware of WeShare and what it stands for. In general, a company and its offer must be known to its customers before an attitude or a brand image can be formed or an action like a sale / use of a service can be induced; (Kotler, Keller and

Bliemel, Marketing-Management 2007, Ladvidge and Steiner 1961, Meffert, Burmann and Kirchgeorg 2015). Therefore, it is essential to draw attention to the service with extensive and aggressive activities at the start of the service and in the preliminary period of a few months.

Branding: In the context of the marketing funnel and free-floating carsharing, branding serves on the levels of knowledge, liking, preference, and partly conviction simultaneously (Meffert, Burmann and Kirchgeorg 2015). To create a coherent brand image of WeShare, to build a strong brand perception, and to prevent brand image deterioration, all promotional and communicational activities must be based on conveying the fundamental positioning and image of the WeShare brand. Therefore, all actions must be aligned and coordinated with the underlying values of sustainability and accessibility (Foroudi and Foroudi 2021, Kahle and Kim 2006, Villarejo-Ramos and Sánchez-Franco 2005). Furthermore, corporate social responsibility campaigns such as a Paris clean up week by WeShare will be integrated to underpin WeShare's credibility as a sustainable provider (Pfau, et al. 2008).

Customer acquisition: As a defined marketing objective, the number of users in the French market plays an important role. To acquire a user, the WeShare app must first be downloaded onto the user's mobile phone. The invite your friend campaign should push this step by means of financial incentives. A launch of the campaign shortly after market entry should increase the download rates, whereby potential users are lured by means of a Euro voucher. Furthermore, test week discounts will compose a central pillar of the promotion plan, as price discounts have direct effect in buying decisions and attract customers to use the service, especially at the time of market entry (Meffert, Burmann and Kirchgeorg 2015).

Customer Activation: In theory, all promotional measures are aimed at activating customers and generating sales. Due to the high price sensitivity and low customer loyalty of the market, it can be assumed that customers prefer to use the service cheapest provider. According to WeShare, financial incentivizing is a common practice of free-floating carsharing providers to both acquire customers and to generate sales (Krohn 2021). However, it is important to consider a medium discount compared to the usual market price reductions to avoid brand image deterioration and to ensure long-term credibility.

Customer Retention / Relationship: Acquiring a new customer is on average between 5-25 times more expensive than retaining an existing customer (Gallo 2014). Furthermore, research show that increasing customer retention rates by 5% can lead to an 25-95% increase in profits (Reichfeld 2001). Therefore, it is important to retain existing customers, especially the most profitable ones, by means of loyalty programs while to extend their customer lifetime and, at best, to increase the customer lifetime value simultaneously. In the case of WeShare, this is fundamentally a strong hurdle due to the low customer loyalty of the market. To be able to use the cost advantages of existing customers, a strong incentive system must be established. One possibility would be to set financial incentives, such as giving a percentage discount on every tenth journey or a euro voucher for every 100 kilometres driven. Following the example of numerous airline miles programmes, another possibility would be to design a points system in which customers are awarded points per minute or kilometre driven and can redeem them in the form of credits or discounts on travel or city centre activities exemplified. However, this would require the development of a comprehensive partner system.

The impact levels are to be realised by various promotion campaigns which will be rolled out and advertised via different communication instruments such as paid, owned, and earned media channels. To ensure a positive reception of the respective advertising message it is essential to reach the customer in a natural environment. In the case of WeShare, two levels can be identified: digital and analogue including the following advertising channels (Meffert, Burmann and Kirchgeorg 2015):

1. Out of Home (OOH) / digital OOH: OOH advertising reaches the advertising recipient outdoors, i.e. while on the move and thus, in the direct environment of mobility needs. This form of advertising can be booked local scale and offers a high reach, high awareness and competitive profiling and thus serves to increase awareness of WeShare as a new free-floating provider in Paris. Furthermore, this form of advertising is well suited for attitude and emotion building and thus for the branding of WeShare.

2. Digital media: Digital media is particularly suitable for WeShare because of their high reach and low prices. Furthermore, digital media offers direct interaction possibilities and high topicality which

WeShare should use in the branding area to promote sustainability, available but also new providers. Digital advertising enables links to target pages and thus, direct conversion to the next stages in the marketing funnel. Especially the direct link to the app or to the download of the app can be identified as helpful for WeShare due to the app centering. A modern network-oriented interaction model should convey a consistent advertising message across different platforms at different touchpoints. For the digital media display advertising (desktop and mobile) will be applied to reach consumers in their daily online environment on various websites. WeShare's advertising should be placed on relevant or thematically appropriate websites to prevent negative perceptions, which can likely arise due to the forced characteristics. The focus is on mobility-related website content such as cars, cycling or public transport, but also on events, environmental or sustainability topics. Also, search engine marketing (using SEA & SEO) enables the specific placement of the company link in response to a demand query and promises high advertising relevance. WeShare's advertising activities in this area should particularly aim at converting offers and route queries into sales, whereby SEO should focus on basic information about offers or the service. Furthermore, paid advertising through social media should generate reach and generate awareness of offers and the serves as such, as well as branding and downloads. With social media, WeShare should also enable direct interaction with users, inform them about current offers and topics, and thus serve customer loyalty as well as branding. The social platforms Facebook, Instagram, YouTube, and Twitter are particularly relevant here as they are the most used platforms in France and thematically fitting content coverages (Newman, et al. 2021). Aside from that, the website and app act as advertising channels in that they are the central contact points for all information and must also promote promotions and the WeShare brand. Lastly, email marketing will be used in the form of activity-related reminders and notices and will also include a newsletter that brands WeShare as a sustainable and available provider (Meffert, Burmann and Kirchgeorg 2015).

A total budget of 30% of revenues is allocated to marketing, which must cover both promotion and media costs. A marketing budget of 2 mn € before the first business year is set for awareness campaigns

and additional 2 mn € are planned for a successful entrance in the first year. A detailed budget distribution proposal can be found in the promotion and media plan in Appendix X. The plan is initially set until the end of the first financial year, but the percentage distribution of the budget must be adjusted reactively after the results have been achieved. Nevertheless, the plan should also propose the rough percentage budget distribution for the following years.

7.5.5 Physical Evidence

According to Zeithaml, Bitner and Gremler (2010) the physical evidence aspect of the marketing mix is about “the environment in which the service is delivered, and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service “. In the case of WeShare, the main interaction point with its users is the ride in the vehicles, as this is the actual physical component of the service. Consequently, the company must ensure that the vehicles always function properly, are undamaged, well maintained, and always clean to ensure high customer satisfaction. In addition, the vehicles should be convenient to use and potential issues, as for instance setting the language for the vehicle's infotainment systems should be explained easily or be automated. However, WeShare's website, app and customer service are also points of interaction with the customer. Therefore, it is important to ensure that this function seamlessly, have an easy-to-use interface, are available in French and English, are updated regularly, and are always accessible.

7.5.6 People

The aspect of people in the marketing mix refers to everyone directly and indirectly involved in the delivery of a company's service. That is anyone involved in developing and designing the service, conducting market research to identify customer needs, providing touch points for customer interaction, managing the supply chain, or providing support services (Meffert, Burmann and Kirchgeorg 2015).

In the case of WeShare, this means that the following groups of people can be identified, which ensure the functioning and delivery of the service. First, the necessary software, website and app development

will continue to be managed and handled centrally in Berlin at the We Campus, as VW has bundled the necessary expertise there by employing software engineers, product developers and UX designers. For the launch of WeShare in the French market, it is crucial that the website and the app are translated into French to adapt to French customers. It is also important for the team in Berlin to ensure that everything digital runs smoothly from the start.

However, for certain activities, it is necessary to employ a local team in an office in Paris. For example, it is essential to employ local market research experts who continuously monitor the specific needs of Parisian users and keep an eye on local trends and regulatory developments. A French-speaking marketing team is also needed to work on local advertising and communication campaigns that are adapted to the wishes and needs of French customers. As WeShare aims to differentiate itself by providing a superior level of service, a local French and English-speaking customer service team is also essential, to be able to communicate properly with French and international customers. This team should be available to its users 24/7 via chat and phone. This customer service team should also be trained to respond professionally to all user questions, requests, and problems. In addition, employees are needed for supporting activities. For example, employees need to pick up the cars when the battery is running low and take them to a nearby charging station. There also needs to be a local team to take care of the regular cleaning of all vehicles to ensure a pleasant customer experience.

7.5.7 Processes

The process aspect of the marketing mix refers to all the processes involved in the delivery of a company's services to its customers. These processes ensure that the company can repeatedly deliver the same quality and standard of service, and they also increase efficiency by saving time and resources (Business Queensland 2016).

In the case of WeShare's car-sharing business, there are several processes that need to be put in place to ensure a well-executed delivery of the service. WeShare has already implemented processes in its

German home market that optimize the delivery of its service. However, it is important to transfer these to the French version and focus on the following points.

First, the processes must be designed to make the user experience as seamless as possible. WeShare needs to ensure that the login and registration processes are very easy for users to use. The registration process must be very simple, and the required documents, such as the user's driver's license, must be easy to upload and get approved quickly. In general, the entire process of downloading the app and using the vehicle should require as few clicks as possible. It is also important that the payment and billing process is very transparent to ensure that users feel that their ride was affordable and without additional costs or attachments (Vulog 2021). This can be achieved by sending users a text message or email immediately after using the vehicle with the exact cost of the ride.

Additionally, customer service processes need to be in place. This means that clear guidelines, steps, and a code of conduct must be in place for WeShare's customer service employees on how to professionally handle different types of requests and problems from their users. For example, how to respond if the customer has a specific problem with their car or has been involved in an accident. This is crucial for creating and maintaining high user loyalty. Other processes include cleaning and recharging the vehicles at times when they are not in peak demand. However, these activities can also be outsourced to specialized service providers. Finally, there must be processes in place to ensure continuous and efficient analysis of all types of data that are collected. These data analysis processes can then be used to improve the WeShare's service. This is necessary to improve and optimize fleet management. By finding out where and when there are focal points of demand in the city, vehicles can be allocated optimally to ensure that vehicles are used as much as possible (Vulog 2021).

8. Financial Forecast

8.1 Assumptions

Sales: The required inputs for the financial forecast are mainly provided by WeShare based on empirical values from the German market. There are three main sales assumptions driving the revenue estimation of WeShare's business model: Number of cars, total customers, and average trip duration. In a first step the expected customers have been computed based on the market share objective. The total number of cars calculated based on the size of the business area and counts in the first year 850 vehicles increasing to 1750 in the second and following years. To model a realistic picture of the expected revenue the average trip length has been expected to stay at 22 minutes. The "average trips per car per day" are expected to move in correlation with the "average customers per car" and are computed individually for each year based on the assumption that 75 customers per car refer to an average of 5.75 trips per day. Further assumptions are expected to vary in a smaller scale such as the percentage of WeShare+ users (15%) and the base pricing (0.29€/min) which are both retrieved from the German market.

Costs: The costs WeShare is facing can be divided into two categories. The cost of goods sold, which refer to cost factors of a variable character and Selling, General and Administrative expenses which are rather inelastic towards to the amount of vehicles and clients. In the case of WeShare's expansion to France the most significant variable cost block is similarly as in Germany the leasing fees for the VW ID3. The car insurance for car-sharing vehicles is due to the limited customer liability and additional arising risks higher than a conventional private car insurance and assessed with 1.680,00 € per year, based on literature review. According to the prevailing traffic situation in Paris, the average driving speed is significantly lower than in Berlin, reducing hypothetically the average kilometres driven by trip, assuming, that the average time per trip stays constant. This fact combined with the lower charging fees in France, which are estimated at 0.3 €/KWh leads to premise that the total charging fees are significantly lower in Germany with 10.67 €. The costs for allocating the car to the charging station and undertake

the loading is expected to be 10 € per process. Furthermore, costs for allocating cars within the operating area are considered assuming that 20% of the trips need a repositioning of the car at a price of 5€.

The fixed costs on the other hand are assumed to increase on a lower level throughout an expansion to Paris as it is accompanied by several synergy effects, regarding software and management. However, an additional team especially for the market in France is required to be established for managing operative matters, client queries and strategic planning. To provide an office for the team counting 10 people, additional rent expenses of 60.000 € per year are assumed to be payable. The major block of fixed costs is assigned to marketing costs which are assumed to be 30% of the expected revenue including and 2 mn € bonus in year one to reach the ambitious user goals. Notably here is, that there are already 2 mn € spent for awareness Marketing before WeShare launches its service. The distribution of these investments in promotion campaigns, discounts and vouchers are more precisely defined in chapter 8.1 Marketing objectives.

Market size and market share estimation: The market size of Paris was estimated based on the carsharing revenue of France in 2020 provided by Statista including free-floating, station-based, and P2P service provider. To allocate the total revenue to the respective cities, the underlying assumption was implied, that carsharing services are only provided in cities with more than 500.000 inhabitants. In France, this list includes eleven metropolitan areas. Next, the total country's revenue as proportionally allocated relative to the congruent urban population of the major eleven cities. Following this rationale, 53% of the total carsharing revenue of France can be assigned to Paris in 2020 assessing this market with over 121mn €.

8.2 Operational risk analysis

Operational risk refers to risk arising from business activity which means that it is driven by internal factors. To identify and evaluate possible hazards for WeShare during its expansion to France, risks are sorted into four different categories and assessed individually within the given context (Coleman 2010).

First, people risk describes situations, where deliberate fraudulent behaviour or mistakes brought by fatigue incompetence cause damage to a company. Even the likelihood of occurrence of such an event cannot be eliminated it can be mitigated by strong human recourses and development. Having the VW enterprise and an established stock of 60 employees the people risk for the expansion from this angle can be assessed lower for WeShare than the industry average.

Second, system risks are the possibilities of technology failure or programming errors affecting the operation of the business. The additional complexity of a further business area increases the likelihood of such an error, especially in the first months of operation. The likelihood of such an event producing substantial damage from a financial and image perspective is still evaluated as moderate as it has been operated since already two years and successfully been implemented in two German cities.

Third, process risks are interrelated with a firm's operational and organizational structure. An inadequate segregation of duties leads to increased fixed costs as well as increasing the risk for cumulative interactive risks, which refers to insufficient control mechanisms. In the context of WeShare's expansion, the established organizational structures will not change but being enlarged by an additional team of ten people. The business processes can be expected to be implemented in established business structures which leads to the assessment of a low process risk.

Lastly, randomness represents low risk events having a high impact on the business occurring by pure chance. As it due to its unlikelihood is hard to be met by precautions it can be considered to be on the same level for the whole industry.

8.2.1 Revenue estimation

WeShare generates revenue from three different income streams mainly. Detailed tables, including all inputs and factors, can be obtained from Appendix C.

Revenue Stream 1: Subscription fees: The total revenue is calculated by multiplying the total number of WeShare Plus users by the annual subscription's costs of 118.80 €. The portion of WeShare Plus

users is based on inputs from WeShare from the German market and are assumed similar for the French market.

	Y1	Y2	Y3	Y4	Y5
Revenue Stream #1: WeShare+ Monthly Fees					
No. WeShare+ users	8.614	19.256	19.517	19.782	20.051
Annual WeShare+ subscription costs	€ 118,80	€ 118,80	€ 118,80	€ 118,80	€ 118,80
Total Revenue	€ 1.023.384,78	€ 2.287.624,68	€ 2.318.667,12	€ 2.350.119,42	€ 2.381.999,40

Table 10: WeShare revenue stream 1 (own representation)

Revenue Stream 2: Core business: In a first step, the total trips per day are calculated by multiplying the total number of cars with the average trips per car per day. The next step is to validate the number of short trips and long trips out of the total trips and then split between Basic and Plus users. After that, the number of trips is multiplied with the according prices to get the daily revenue and then multiplied by 360 to get the annual revenue.

	Y1	Y2	Y3	Y4	Y5
Revenue Stream #2: Car Sharing Service, trip based approach					
Total daily revenue	€ 36.577,01	€ 81.762,47	€ 82.871,96	€ 83.996,11	€ 85.135,54
Total annual revenue	€ 13.167.723,12	€ 29.434.489,34	€ 29.833.907,29	€ 30.238.598,85	€ 30.648.793,29

Table 11: WeShare revenue stream 2 (own representation)

Revenue Stream 3: Administration of incidents: For the third revenue stream, it is assumed that 5% of the trips have a chargeable incident. WeShare charges 20€ for every incident that they administer. The total annual revenue is calculated by multiplying the daily revenue fees with 360.

	Y1	Y2	Y3	Y4	Y5
Revenue Stream #3: Fees					
Daily revenue fees	€ 4.402,89	€ 9.842,01	€ 9.975,56	€ 10.110,88	€ 10.248,03
Annual revenue fees	€ 52.834,68	€ 118.104,08	€ 119.706,72	€ 121.330,52	€ 122.976,40

Table 12: WeShare revenue stream 3 (own representation)

Total revenue: The total revenue is calculated by summing the income from the three different streams.

Total Revenue	€ 14.243.942,58	€ 31.840.218,10	€ 32.272.281,13	€ 32.710.048,79	€ 33.153.769,09
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Table 13: WeShare total revenue (own representation)

8.2.2 Cost estimation

WeShare's cost can be split up into two parts, namely costs of goods sold (COGS) and sales, general and administrative (SGA) costs. Detailed tables including all input factors can be found in Appendix C.

COGS: COGS of WeShare consist of mainly insurance and leasing costs for the fleet. These costs are directly associated to the number of cars in the market. Moreover, WeShare has costs for collecting and charging the cars, which depends on costs for electricity and user behaviour. Overall COGS increase drastically after the market entry due to a strong increase in the number of cars. The variation in total annual COGS is due to fluctuating costs for cleaning and car allocation.

	Y1		Y2		Y3		Y4		Y5	
<u>COGS</u>										
Total daily COGS	€	23.791,10	€	50.980,75	€	51.324,26	€	51.672,30	€	52.025,07
Total annual COGS	€	8.564.795,39	€	18.353.070,60	€	18.476.732,47	€	18.602.027,08	€	18.729.025,40

Table 14: WeShare COGS (own representation)

SGA costs: SGA depends to a large extent on marketing expense, which include apart from advertising costs for the different marketing channels also promotions to acquire customers. Moreover, salaries and rent expenses are included. The variation in the total SGA is referred to fluctuations in the marketing expenses, which are linked to the maturity of the expansion.

	Y1		Y2		Y3		Y4		Y5	
<u>SG&A</u>										
Total daily SG&A	€	19.292,17	€	29.316,85	€	29.676,90	€	30.041,71	€	30.411,47
Total annual SG&A	€	6.945.182,77	€	10.554.065,43	€	10.683.684,34	€	10.815.014,64	€	10.948.130,73
Total annual SG&A (without Mkt. and Dep.)	€	660.000,00	€	990.000,00	€	990.000,00	€	990.000,00	€	990.000,00

Table 15: WeShare SG&A (own representation)

8.3 Investment plan

To successfully launch the car-sharing service of WeShare investments in awareness marketing and a pre financing of leasing, insurance and charging fees of one month are required. Furthermore, a minor business registration fee of 2,264€ due to be paid before the start of the first operational year. The operative loss in the first two years is amounted to a total of 2,390,000 € and need to be covered by initial investments. By keeping 5% of its planned annual revenue as cash reserves WeShare ensures

liquidity in case of any external economic influences such as a lockdown. This means that an additional investment of 712,000 € in net working capital is needed which is increased by 880,000 € in year two. In terms of capital expenditures, the software extension for France is expected to cost additional 60,000 € amortized over five years. Appendix S shows how the total investments of 4,384 th € in the first two years are expected to be allocated.

8.4 Financing plan

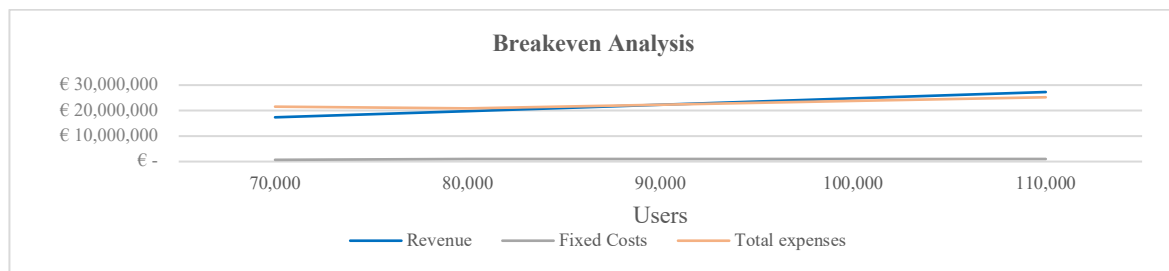


Table 16: WeShare Breakeven analysis (own representation)

To assess the breakeven point of required users, the number of cars was set to 1,750. The breakeven number of users is at 99,795 users. The fixed costs of WeShare are substantially smaller compared to the variable costs. Due to the high portion of variable costs, a high number of users must be reached as soon as possible. WeShare is mainly financed via liabilities to affiliated companies, which means that the VW group provides the financial assets needed for the expansion. The cost for those kinds of liabilities is estimated at around 11% under current market circumstances. Financing needs of approx. 1 million € are required until the critical mass of users (99,750) and cars (1,750) is reached. According to the forecast, this threshold is reached in year 2 of operations, thus no further financing is required.

8.5 Financial Viability

To examine the financial viability of an expansion of WeShare to Paris, five different approaches have been applied. Probability ratios are analyzing the capability of WeShare to generate earnings in France relative to its operating costs and COGS. The NPV method assesses the terminal value of an expansion to France with a time horizon of five years. Additionally, a perpetuity has been computed to evaluate an

expansion under the hypothesis that WeShare will go on generating cash flows in France. Furthermore, the IRR and payback period give more insights about the profitability of the project.

8.5.1 Profitability Ratios

For computing the profitability ratios, the forecasted values of the fifth and last year of the project evaluation are used. The operating margin stands at 10.53% having operating profit of 3.488 mn € and a total revenue of 33.35 mn €. The gross margin of WeShare' expansion to Paris is assessed with 43.51% indicating financial scope for the marketing budget.

8.5.2 Net Present Value (NPV)

The NPV is computed by adding up the discounted Free Cash Flows (FCF) from year zero until year five. The discount rate is equal to the weighted average cost of capital (WACC) and amounted to 6.75%. In sum the NPV is positive and has a value of 4.38 mn €.

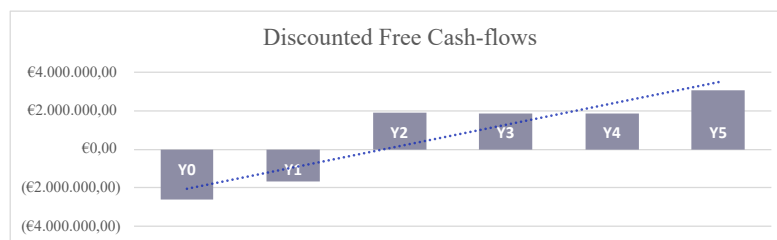


Table 17: WeShare Discounted Free Cash Flows (own representation)

Additionally, a perpetuity has been computed under the assumption that the FCF will continuously grow at a rate of 5% and valued with 144.398 mn €.

8.5.3 Internal Rate of Return (IRR), Payback period & Profitability Index

The internal rate of return has been calculated in two different ways using an integrated Excel function and the Goal Seek function. Either way the IRR has a value of 33.32%. The payback period of the project is three years meaning that during the third operational year the initial investments necessary in year zero and year 1 will be recovered and a break-even point is reached. A profitability index of 2.03 emphasizes the overall attractiveness of the project.

8.6 Sensitivity and Scenario Analysis

The sensitivity and scenario analysis were computed with the aim to foresee how the NPV would change in case of different economic scenarios. First an analysis with only the price variable was computed:

Basic price per minute in €	var abs. in €	var. %
0,26	644,231.50	-10.0%
0,28	1,872,072.34	-5.0%
0,29	4,388,376.18	0.0%
0,30	6,903,680.02	5.0%
0,32	9,420,938.86	10.0%

Table 18: Sensitivity analysis: price per minute (own representation)

As can be seen in table 18 the business model of WeShare is very sensitive to price changes. If the base price for short trips of 0.29 € would be reduced by 10%, the project would have a negative NPV of 644 th €. If, however, higher prices can be achieved the profitability of the project would grow exponentially. In a next step a two variable sensitivity analyses have been done, outlining how the NPV would change under different prices and a different average trip duration:

		Average Trip Duration			
			-20,0%	-10,0%	0,0%
Base Price	4,388,4		17,6	19,8	22
	-10,0% €	0,26	-1.707,5	-1.175,9	-644,2
	-5,0% €	0,28	751,4	1.311,7	1.872,1
	0,0% €	0,29	3.210,2	3.799,3	4.388,4
	5,0% €	0,30	5.669,1	6.286,9	6.904,7

Table 19: Sensitivity analysis: base price, average trip duration (own representation):

Table 19 outlines how a possible surge in the average trip duration due to the lower average driving speed within Paris could affect the NPV. Furthermore, it aggregates how this scenario would affect the NPV in the case of price reductions or increases. Lastly specific scenarios have been analyzed also considering that the expected number of users can't be reached. In sum five different scenarios were assessed based on more and less favorable economic input factors.

Scenario Summary						
		Normal	Pessimistic without Reaction	Pessimistic with Reaction	Expansion	Optimistic
Changing Cells:						
Users Y1		57,429	45,943	45,943	68,915	80,000
Users Y2		128,374	102,699	102,699	154,049	150,000
Users Y3		130,116	104,093	104,093	156,139	180,000
Users Y4		131,881	105,505	105,505	158,257	180,000
Users Y5		133,670	106,936	106,936	160,404	180,000
Cars Y2		1750	1750	1225	1750	1750
Cars Y3		1750	1750	1225	1750	1750
Cars Y4		1750	1750	1225	1750	1750
Cars Y5		1750	1750	1225	1750	1750
Base Price /min	€	0.29	€ 0.29	€ 0.29	€ 0.23	€ 0.29
Av. Trip Duration		22	22	22	22	35.5
Result Cells:						
Profitability Index		2.03	-2.20	0.47	6.77	9.79
IRR		33.32%	-2437.50%	-1.63%	77.56%	200.88%
NPV		4,388.4	-7,794.1	-1,293.2	15,192.4	29,011.8

Table 20: Scenario analysis (own representation)

Table 20 includes the input and output variables of the five scenarios. The “Normal” scenario is the

most likely one and includes the same value as the NPV calculation. The second scenario analyses the projects NPV under the circumstance that 20% less users are reached than forecasted. Under the premises that the rest of the values stays the same WeShare would face a negative NPV of -7.79 mn € after five years. The third scenario titled “Pessimistic with reaction” analysis the situation of reaching 20% less users but reducing the cars in the second year by placing 30% less cars in the following years. In this case WeShare would be able to limit the loss to and NPV to -1.23 mn €. In the “Expansion” scenario the price gets reduced by 20% to 0.23 € per minute if this measure would attract 20% more customers. In fact, this scenario would be favorable for the project as the NPV would be 15.19 mn € and significantly higher than in the “Normal“ scenario. Lastly, an optimistic scenario was computed assuming that the average trip duration would increase to 35.5 min and the number of customers meet the following values: 80.000 in year one, 150.000 in year two, 180.000 in year three, four and five. In this case the project would generate a positive NPV of 29.01 mn € emphasizing the potential of the expansion.

Overall Conclusions and Recommendations

The thesis aimed at developing an internationalization plan for the German free-floating carsharing provider WeShare. As part of the multinational VW group and with its USP, WeShare’s goal is to expand their services across Europe. To identify a suitable market, an initial company and strategy analysis led the foundation to understand WeShare’s position in the market as well as their strengths and weaknesses. Strategic frameworks such as Porter’s Five Forces, Porter’s Diamond, Porter’s Value Chain, and the PESTEL framework aided in conducting a company and industry analysis. The latter shed light on industry trends and domestic market conditions and underlined the necessity for WeShare to expand abroad to remain competitive. WeShare’s motives for internationalization mainly stem from both push and pull factors as the market conditions in the German market and especially in Berlin and

Hamburg are unfavorable. Furthermore, foreign markets provide attractive conditions for carsharing providers and great endeavors to follow a trend for environmentally friendly mobility solutions.

A combined country ranking, and cluster analysis based on quantitative data provided a list of five potentially attractive countries for WeShare: UK, France, Switzerland, Netherlands, and Sweden. These five countries were then analyzed in an in-depth country analysis. As such, further relevant information was considered, and the quantitative analysis was complemented by a qualitative point of view. The analysis led to the conclusion that France provides the most promising market conditions and outlooks for WeShare to expand to given its market potential and comparably favorable competitive landscape.

After identifying France as target country, the entry mode was defined by comparing alternative entry modes, and a greenfield investment was identified to be the most suitable entry strategy for WeShare. After a thorough analysis of the external factors of the French market and WeShare's internal resource situation, the strategy and corresponding marketing objectives were derived. WeShare should pursue a strategy that is focused on rapid expansion. After entering the respective cities / districts a market penetration strategy should follow. This can be achieved by aiming for quality leadership in the French market, by offering the best availability compared to competitors, and by providing an excellent service to achieve the highest customer satisfaction. In addition, WeShare must stick to its USP, which focuses on a 100% emission less service with an exclusive use of electric vehicles, to create an internationally consistent brand image. To reach the largest number of potential customers, a geographic segmentation aids in determining in which areas WeShare should operate indicating Paris as the most promising city. In Paris, arrondissements with a high population density and high income should be targeted.

To effectively implement the strategy, actions are formulated in the marketing mix according. The service should include a network of modern EVs to give customers the flexibility to choose a vehicle that meets their specific needs. Since the strategy aims to become the quality leader in the market, above-average pricing is appropriate, but it must be competitive. In terms of place, central and western Paris were identified as the most promising areas for an initial expansion. To achieve high brand awareness,

effective promotion of WeShare's service is crucial, which can be realized by using promotion campaigns and different communication tools. It is also crucial for WeShare to ensure the functioning, maintenance, and cleanliness of its vehicles, as well as the seamless operation of its website, app, and customer service, to achieve high customer satisfaction. In addition, marketing experts, customer service staff, and support services should be on-site in France to provide an ideal user experience.

The work contains various limitations that will be briefly mentioned in the following. First, the assumption to consider only cities and metropolitan areas with a population size greater than 500,000 inhabitants is misleading given that especially carsharing companies also operate in smaller and less dense areas. The subsequent market share calculation might therefore be in need for adjusted preliminary revenue and user numbers. Also, the work mostly focused on station-based and free-floating carsharing services, however, other alternative sharing solutions ought to be studied and their impact on free-floating carsharing must be assessed. Furthermore, the work entails subjective weights in the country ranking and clustering as well as the target market selection process. A limited scope in the marketing and financial forecast for the period of up to five years is insufficient if WeShare plans to expand to France and to establish their brand across the entire French regions.

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List of Abbreviations

ARPU	Annual revenue per user
bn	billion
CAGR	Compounded annual growth rate
COGS	Cost of goods sold
CSA	Country-specific advantages
EU	European Union
EUR	Euro
EV	Electric vehicle
FCF	Free cash flows
FSA	Firm-specific advantages
HR	Human resources
ICE	Internal combustion engine
IRR	Internal rate of return
mn	million
NPV	Net present value
OEM	Original equipment manufacturer
OOH	Out of home
P2P	Peer to peer
SGA	Sales, general and administrative
SWOT	Strengths, weaknesses, opportunities, threats
th	thousand
UMI	Urban Mobility International
USD	United States Dollar
USP	Unique selling point
UK	United Kingdom
VOD	Vehicles on demand
WACC	Weighted average cost of capital
VW	Volkswagen

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Appendices

Appendix A: Interview Transcripts

Appendix A.1: Transcript First Interview

Date: 27th of September 2021

Interviewee: Fabian Krohn

Interviewers: Henri Erbach, Nick Wessels, Ann-Kathrin Kopf

Company

1. How would you describe WeShare's vision/strategic direction?

To make every care shareable and emission free. That is our overarching vision. If you then break it down a little further like in a sentence, we published "provide the advantages of an own car but shared". We want to create a high level of comfort experience, at the same time CO2 neutral and then there are other cornerstones, such as those envisaged by Volkswagen AG, but that would go beyond the scope here. Strategy is always the question of who formulates it. For example, the strategy from WeShare, then there is still an overarching view of Volkswagen AG, but in total it fits for the time being.

2. Can you summarize the culture in the WeShare team briefly?

We are similarly positioned to a corporate start-up. Culture is of course a big term, we started with a "no race, no title" claim, we have lost that a little over time, because we are very many, we are super international, we have about 45 nationalities with us and we already work in a very democratic setup. We are also agile in part, in software development in any case, and also in certain business units we are a very democratic company. For a very long time we only had C levels and below that the top titles were actually all the same. We gave that up a little bit because we realized that we had become too many people and it didn't work anymore. Nevertheless, we keep this very high.

3. How are business units of WeShare and WeDrive separated? Are they managed independently?

First of all, WeDrive was just a pilot and no longer exists. That was at weddings before Corona, that means the demand for car sharing was very low so we thought about making a pilot and rehearsing a car subscription, so auto subscription is actually common sense these days, there is Finn and Cluno and also VW does that now, but we just wanted to try out how it works with electric cars and how many people decide to do it, but that no longer exists. That was a pilot, we tried it once, because we had the cars for a longer capacity utilization, we then gave the cars out for 6 months, that was also a steady income for us over the Corona time and that was actually the main motivation. So, we don't really have to talk about WeDrive.

4. What is the pricing for the b2b sector? How does it differ for business and private customers?

Once to differentiate what is currently available, so a company can approach us and say they would like to map their business trips via WeShare, so to speak, and then it is the case that the company gets a mask and the customer switches in his app between private and b2b and the invoice that arises there is sent directly to the company. This means that at the end of the month, the company receives an invoice for all trips made by the corresponding employees. But it's still very much under construction, we don't have that many customers yet and it's really the case, as an employee you have no differences in the app. We also have no price differences, which means that the prices are still directly the same. It is not excluded that we will change that. Currently if you are with company XY and company XY is a WeShare customer, then you can bill business trips and then the invoice will be sent to the company. Of course, it is especially attractive for companies because they can reduce their CO2 footprint, so electric car sharing is of course very good and just a trend, because maintaining a company fleet is also very asset heavy and so you can also reduce assets and use car sharing if necessary.

5. What is the average rental time, booking price per rental? Do you have data that we can use to create a graph for identification of different use cases (peak of short and more long-term uses)?

22 minutes approximately in the B2C range, in free-floating is about 22 minutes. The booking price results from the gross price of 29 cents, or 24 cents net multiplied by the average time. Then we also have long trips, which are the trips that go into the daily rent, so you can also book the car for 24 hours and most customers try to take advantage of most of this time.

6. How many WeShare+ subscriptions do you have?

Currently we have a distribution of 85/15, so 85% are normal users, 15% are WeShare+ users. In total, we have about 170,000 customers.

7. How big are your business areas in square km and how many cars per model do you have in Hamburg?

109km² in Hamburg and 150km² in Berlin. And only ID3 in Hamburg, in Berlin it's just a mixture. The E-Golf is currently being decommissioned, so in Berlin it will mainly be ID3 and very little ID4, 1,400 ID3 and 100 ID4.

8. Is WeShare facing any legal constraints and if yes, which ones?

This is a very broad question. I think you have to break it down a little bit, what you mean. So if you want to say, on what legal basis is the service offered and it requires a permit from the city then you can clearly say, in the current political situation not, you could also set up a car sharing company, because we pay parking fees in Berlin, like everyone else and everyone who pays parking fees, may also participate in public road traffic. In Hamburg there is a car sharing badge from the city, so everyone has a right to it. However, there is the Berlin Mobility Act, which is currently being voted on and attempts to regulate micro mobility providers. But this is also another case, because the e-scooters and mopeds do not pay parking fees, they tend to park on the sidewalk. For this reason, it is also legitimate to ask why these providers do not pay anything, although they use the public road space and within the

framework of this mobility law, car sharing is also included, but is very critically examined by our legal department. That is actually not conforming to what is currently being prepared. All in all, it can actually be said that free floating car sharing is "relatively easy" to operate, at least in Germany. You don't have to get a permit somehow, at least for Germany. In many other cities, this is different. However, there are, which is why this is always relatively important if you want to expand into other cities, there are cities that are not so open to free floating car sharing, Barcelona for example. Barcelona only wants to have stationary car sharing, so we don't go to Barcelona.

9. Is WeShare planning to add new/different electric vehicles to their fleet (e.g. ID4)?

Right now we only have the ID3, but we are preparing the ID4.

Management

10. How does the Management of UMI work?

We have a so-called C-level with a managing director, i.e. a CEO, then a cfo, the CFO, then there is a COO, a CCO and a CHRO. This is, so to speak, the C-level.

11. How many employees does UMI have?

We currently have about 85 employees.

12. How involved is the VW Group in UMI's decision making (top down?) / how does the cooperation work with the Group?

So, Volkswagen AG is a 100% shareholder of UMI and also finances the project, so to speak. In this respect, there is a supervisory board of WeShare and in principle VW managers sit on the supervisory board and it is regulated in a business ordinance which topics must go through the supervisory board and in the event of an expansion, for example, a decision would have to be obtained from VW.

13. How does the VW Group provide resources to UMI (yearly budget, vehicles etc.)?

Annual budget is requested from VW. However, the degree to which we differ is that we can set freely, we are not connected to Volkswagen procurement, we can buy ourselves and can hire ourselves and

also have our own IT systems, so we are autonomous in this respect. The cars are all leased from Volkswagen Financial Services, and we pay a normal leasing rate.

Financials

14. Financial overview – income statements, ratios etc.?

Unfortunately, I can't give that out. But you can consider, you have 85 people on the payroll, think about an average salary then you have the fixed costs for personnel. For this purpose, we have rented an office with 10% overhead costs. In addition, the average trip is 22min multiplied by 29cent, the number of cars is 1,500 in Berlin, 800 in Hamburg and trips by car varies greatly but is always between 4.5 and 7 approx. The number of trips by car per day then results in the turnover per car per day. Number of long-term trips I send you, with which you have the main sources of our sales revenues. In addition, there are any fees if you are flashed, for example, a processing fee, with which you can still earn money. Leasing rates can be viewed online on leasingrate.de, in addition to insurance for the cars and thus you come relatively well on a derived profit and loss account.

15. When do you plan to be profitable with your business or is WeShare already profitable?

/ What is the profit per rate model?

This depends heavily on the number of users and in view of the corona pandemic, it is very very difficult to estimate how the user numbers will be reflected in the future. There is the so-called Apple Mobility Index, which records how people move around in every city, i.e. by car, by public or whatever. And that is basically after Corona well below the level as before Corona. The statement is relatively simple, people are still moving less than before Corona. We also do the meeting online, maybe you would have come to Berlin in the past, you don't know, that means you don't move either, for example. If people move less, they also need less car sharing. What I want to say is that getting the business model electric car sharing profitable is definitely possible, that's the general statement, but with Corona and electric, electric we simply have even more costs than with combustion engines, it is just a crystal ball how the

demand is distributed. Definitely you can say that car sharing is a profitable business model, it's not a model where you create a margin like Google, but it's definitely profitable operational.

Market

16. Why hasn't WeShare followed the strategy of an incremental electrification of their fleet similar to Share Now?

First of all, we wanted to have a very clear USP towards all competitors and the 100% electric is also on all cars. The absolute core message is "WeShare – 100% electric". In all campaigns is always 100% electric and that closes the circle, because it pays heavily to the goals of the VW Group. VW says the future is electric, there is no gasoline, there is no diesel, there is no hydrogen, there is only electric and due to our vehicles, that drive through the area in two large metropolises in Germany, it is not unattractive from a strategic point that people drive electric cars there. That's why it's 100% electric, because we also believe that car sharing only makes sense electrically. And many cities, not in Germany, but for example Paris, Madrid, Amsterdam, you can no longer get in electrically. For this reason alone, the idea was to be 100% electric.

17. In your opinion which political initiatives are necessary to make electric carsharing prevailing in European cities? Are there some in the pipeline?

The problem in general is that free floating car sharing is not yet seen as relieving traffic at the political level. Free-floating car sharing still has a bit of a problem, especially in Berlin, that it is seen a lot as a marketing campaign of the VW Group. There is often the accusation that people no longer come from public transport to car sharing. They no longer drive S-Bahn, but car sharing, because it is more comfortable and in the end, you sell the car sharing users the car, so that they eventually buy the ID3. However, most studies actually say the opposite, that if there is a free-floating car sharing provider in a city, then the users are much more multimodal on the road. So multimodal means that if I don't have a car and use car sharing, then I also use other forms of the transport chain, so then I also drive public transport, ride a bicycle. But if I have a car, then I primarily drive through the area by car. Cities are not

uniformly pro-car sharing. There is also the other view that you put 1,500 cars in the city as a pure marketing campaign and actually only VW want to sell and therefore it is the case that in many cities and also this year the number of vehicles sold has increased. But this is also a corona effect, more people have bought a car, despite car sharing, but this is also due to the fact that more people are moving to the cities. Of course, you have to take into account population growth in general, so it is an incredibly complex debate, and the question is whether car sharing is really a traffic relief. Many studies argue for and against and many cities find this good as Hamburg, but Berlin is very critical.

Framework conditions that would be good for us would first be an abolition of parking fees for car sharing. To give a number, in Berlin we pay about € 2.6 million in parking fees every year, because the vehicle has to pay the parking fees after the trip even at night. From our point of view, this is of course not okay, because if a private person owns a Range Rover, for example, they can simply buy a resident parking permit, which costs 20 € for 2 years in Berlin and you can simply park the Range Rover for 10 € a year and we have to pay such a high sum of parking fees. Car sharing is therefore worse off than owning a car. So the first framework is free parking for car-sharing vehicles.

The second framework is the conversion from public parking space into car-sharing zones. You take away parking spaces, make a sign on it with the information that car sharing vehicles can also park here, of course providers neutral, because of course that would also encourage many people to be interested in car sharing.

The third is quite classically a stronger development of charging infrastructure and, above all, fast charging infrastructure, which helps.

Subsidies would then be the next step, that the politicians say, for example, WeShare is only in the inner S-Bahn ring, but they want us to be available in the entire city, then it just needs many more cars and in many districts, it is even less profitable. But this also provides a public task and then the city would actually have to pay for the losses. The business area has a certain size and if you enlarge that, of course you also need more cars, because of course you have to guarantee the customer a certain availability

and that quickly becomes very expensive. That would be nice if the city would then say that they would compensate us for this, because we also provide a transport service, but we are not there yet. We're still at the level that we think we only offer paid test drives so there's still a long way to go.

18. Which opportunities are conceivable for WeShare due to upcoming technological innovations (5G, autonomous driving)?

The topic of autonomous driving is of course great for us, as the car sharing business model no longer exists in this form, which is also clear. Only until we get to autonomous driving, so in Berlin opinions differ, but it will definitely take longer than everyone thought and what is interesting for us, for example, is a "car to come case". Nowadays it is already technically feasible for the car to come to me at a relatively low speed. Currently we have the topic that the customer has to walk to the car and since the person is basically quite lazy and I could press a button, the car comes to me and I can just get in, then that would be a super interesting case. That would not describe the fully autonomous scenario, but a car, for example, drives 800m very slowly to the user, but of course that is still very far away. That would be one step ahead of the autonomous scenario. If the autonomous scenario comes, then there will be a merger between hailing and car sharing. The next thing that's super exciting is automated charging. So, of course, we spend quite a lot of money paying someone to charge the cars. That means charging cars, is very simple, plug in. Automated charging would therefore be a great advantage for us.

19. What are the most present threats in the market?

Politics is currently more of a threat than anything else with this mobility law. If this comes through in such a way that Berlin could regulate the number of cars and providers, that would of course be a great danger for other cities to ban free floating car sharing or it would be specified exactly what to do. It is an extremely competitive market, that is, there are Miles, ShareNow, Sixtshare and so on, that is, it is very price sensitive and in our experience, there is quite little loyalty. There are certainly people for whom driving electrically is very important, but the majority will decide on price and distance to the vehicle. Most of the customers are registered with all providers and take the car that is closest or

cheapest. It is a strongly male-oriented topic, so we have about 65% men and 35% women of users, then the exceptions are those who want to drive new vehicle models, otherwise it is a rather disloyal topic. We try to maintain customer loyalty through the subscription model, so we try to create a certain stickiness and through our USP, clearly electric and then it's just a lot of brand building, so promotions, vouchers, communication, specials, things like that. So politics is definitely a threat, competition is strong, but also competition not only for car sharing, but the forms of mobility as such are insane. In Berlin, a new scooter sharing provider has started, Felix, who of course also takes rides away from us. They buy market access with massive voucher campaigns and then there are these Telefriend shops, so a customer can advertise a friend and get a voucher. So, if a new player is on the market, then he first knocks out vouchers without end and the whole of Berlin goes for 2 weeks for free and that of course also affects us. The barriers to market entry are very low, which is why there are so many players, but you need a lot of start-up capital.

In addition to everything, there is the pandemic, so actually everything that reduces people's mobility has a direct impact on our business model. So, let's assume that if a 100% home office regulation were to come, because it is so established, that would of course also be super bad for us, because many people also drive to the office with a car sharing car. But if they no longer have to drive to the office, these trips are sometimes omitted. This is a big threat, so the big threat is actually the mobility behavior in general. So we are also at the airport, you could drive with the WeShare car to the airport and fly somewhere and suppose people no longer fly or there are no more domestic flights, many trips are omitted. In principle, the degree of mobility is a major threat in general.

Internationalization

20. Does WeShare have any plans to internationalize in a specific country?

We had very big plans before Corona, we wanted to go to 8 European cities and then came simply Corona, then we had to stop all our activities and then "just went to Hamburg". VW has also bought

Europcar or bought back and that means it is also there the plan to create a new platform and now see how the setting with Europcar develops.

21. How did you structure your internationalization plan? Did you already conduct a country analysis?

We did a very detailed analysis, i.e. research and due diligence, before deciding to go to a city.

22. Which prevailing factors do you perceive as crucial to look at when establishing an internationalization strategy for WeShare?

Socio-economic factors: how many people live there? A high population density is the keyword here (> 1 million would be good). Disposable income, age structure, our core group is between 21 and 65, because the elderly are not smartphone-savvy, we need people who have a driver's license, who have a smartphone. There is also no point in going to a city that has a small number of driver's license possessions. Smartphone penetration rate.

Politically: a little softer, we talked to many cities, because it is not easy to find out what the parking rules are. For example, do electric cars park for free? If the private electric cars park for free, the electric car sharing cars also park for free. So, parking costs are of course a factor. Then how is the city on it? Does she welcome you with open arms? The expansion of the public electrical infrastructure is also an important factor, if there are several charging stations, it is of course better for us to expand into such cities.

Appendix A.2: Transcript Second Interview

Date: 07th of October 2021

Interviewee: Fabian Krohn

Interviewers: Henri Erbach, Nick Wessels, Ann-Kathrin Kopf

Henri Erbach: We asked you the questions and you had given us which factors you consider important when we are looking for the cities or the countries. What we are sitting on now is a country ranking, i.e. a data set in which we insert all factors and fill the data and we wanted to go with you via the Excel and ask if the factors make sense from your point of view.

The first category we started was Market Size, in which we included the Population Age 15-61. You thought the age group was 21-65. We have the data from the World Bank, there was now only this age group, does that still make sense for you?

Fabian Krohn: yes, so what we have done, we usually put a factor on it, so these six years already make a big deal and there is just in Germany the data situation also very good on city location. But you took the countries right here?

Henri Erbach: Exactly, we first have to create a country ranking on the part of the university, then we practically have our top 5 top ranked countries and then go into the in-depth analysis and look more specifically at the cities that could make sense. We would then add even more factors that may not be numbers, but that's basically the first step we have to take, that we first make this ranking of the 5 best countries.

Fabian Krohn: Yes, but I don't think that makes sense, because the really important thing is the cities and even within countries there are massive differences between cities, so Hamburg and Berlin are actually very different cities from car sharing. And both are in Germany, Munich as well. How we do it is that we pull the inhabitants of the city and then map the addressable market. You can already get that out of the statistics that you know how much, there are sometimes 14-19 year old etc. so subcategories

and then you just subtract from e.B. 4 million inhabitants those who are out of the question and then you have to deduct another factor, namely driver's license possession. Not everyone has a driver's license either. So, by logic, it's first population in the city, then age group, then smartphone ownership, then driver's license possession and then you have a number and then you can subtract something because you have to model a business area and that doesn't map the whole city. So even within the city you lose a few more people. So, the business area is not as big as the whole of Berlin and then you basically have your addressable market and then you can set a goal, how much of this addressable market do you convert into customers and then you have your share of registered customers. So, I can also tell you differences between countries and between cities, especially France and Spain, because especially big cities set their own rules.

Nick Wessels: We can still check to what extent we can include this, but we have to coordinate with the university on how to proceed.

Henri Erbach: So, we have to create the country ranking one way or another, but when we have our countries, we take a close look at the cities again.

Fabian Krohn: But also, for carsharing? So, the university said, you have to make a country ranking and say which country is suitable for car sharing?

Henri Erbach: No, that's just the general structure given by the university, everyone has to create it and there are also several groups that deal with a similar project. But then the total population of the country is not so relevant for you, because you look more at city level. We also included something with the population density, which we included and also the urban population as well as the number of cities that have more than 1 million inhabitants. If this is weighted accordingly, countries that would be relevant in terms of the number of inhabitants in the cities will also come out. Next was market growth, GDP growth etc. also population growth and urban population growth.

Nick Wessels: With a few other factors, we are still looking for where we get the data, just Diving License Rate as well as car ownership rate, i.e. how many people actually own a car. Then average parking costs there were several levels too, so per hour, daily, etc. and would calculate the average or depending on what is most relevant for you.

Fabian Krohn: So, the values are really massively different. In Munich you have a much higher car ownership rate than in Berlin, but you are both in Germany and from this you draw conclusions accordingly, but the criteria fit so far, all that you have thought about.

Henri Erbach: And just back to the driver's license rate, where exactly did you get the data from, because we had quite a bit of trouble finding data.

Fabian Krohn: It always depends on what degree we are sometimes looking at statistics about a country and then apply it to the city. But I can also look at it again, we usually calculate in the rate 90% and 92%.

Nick Wessels: Okay, then Tourism Degree, because tourism can also be relevant for car sharing as well as the urban Mobility Index, i.e. how mobile people are in different countries.

Henri Erbach: But we also go into it more when we are at the city level. But do you think that with the Tourism Degree makes sense?

Fabian Krohn: I think it's less than you think, so you just need a big footprint then, for example, we only have Hamburg and Berlin now and there is already a strong overlap, because there is quite a lot of exchange between the cities. So, if someone lives in Hamburg and uses us, the person is often in Berlin and uses WeShare there. But really classic tourists, so you are now doing a sightseeing weekend in Hamburg or Berlin, then you are not far that we exist. Then you have to register first, even if the registration effort is low, people use more public transport or taxi, because it is simply more convenient. Non-European guests are actually not so familiar with free-floating car sharing.

Ann-Kathrin Kopf: I think the Tourism Degree was more about the aspect that if someone is already registered and comes from Berlin or Hamburg and then travels to Madrid, for example, and knows that you are also present there, you can access the service in the app in a completely uncomplicated way. That was the background to make this as uncomplicated as possible and to include the Tourism Degree, to give less weight, but to consider it anyway.

Fabian Krohn: Sure, that's definitely true, you need the footprint for that, but that definitely makes sense. Grade Share Now which are in 12 cities, if you are in another city, you use that too.

Nick Wessels: Exactly, then we had some data on infrastructure, once investment in infrastructure, so how much the country invests, the number of charging stations, the number of rapid charging stations, the efficiency and density of public transportation, because you also said in our last conversation that you also see yourself as an offer within an entire mobility offer of a city and that's why we thought, that it is relevant how good the general expansion of public transportation within a city is. And then, of course, the offer of parking spaces in the city itself.

Fabian Krohn: I would only define the charging stations in power classes, the normal charging stations are AC-11kW you always calculate and rapid Charging is quasi DC-550kW.

Henri Erbach: Then Standard of Living are quite straightforward, also unemployment rate and disposable income, that we simply find countries where people tend to be wealthier.

Nick Wessels: That will certainly be different at the city level, but we just have to look at that in detail.

Henri Erbach: Then Ease of Doing Business Index and Political Risk is always relevant when you expand into a new country. The political and legal indicators are somewhat more specific. That's when we thought that taxes on CO2 emissions would be relevant.

Fabian Krohn: So maybe even more concretely, but that's also at the city level, so there is a clear position on car sharing, there are cities, you are no longer allowed in with a combustion engine. There

are cities that reject free-floating car sharing, which only accept station-based car sharing. Of course, this is still a very important point at the city level.

Henri Erbach: Then what we thought are taxes on car ownership, i.e. where the tax is very high, that people might be more likely to use car sharing. So especially in the Netherlands the taxes are very high. So handy if you buy a car, unless it's an electric car that makes sense.

Fabian Krohn: Absolutely, that's an important aspect.

Nick Wessels: Exactly, then Economic Freedom and Political Freedom Index are both relevant and pretty straightforward. Cultural distance is quite close in Europe, but the cultural distance to Germany is of course still important. Too digital, we just look at what we can still take in and what makes sense. On the one hand, the number of people who use the Internet in percent, the Internet expansion, how strong the network is, there will certainly be differences again on a city basis, the digital readiness index and smartphone penetration rate and cellular subscriptions we have still considered that they can be important. Then we added a few factors to sustainability, because your business model is also strongly oriented towards being green and then we wanted to include the Sustainability Awareness Index, i.e. to what extent the population is aware of it. Then the competitiveness index, i.e. how strong the country is positioned, and the Environmental Performance Index.

Fabian Krohn: There are really a lot of criteria, it all makes a lot of sense, but it's more at the city level. Are the criteria predetermined? Because there are already a lot of criteria.

Henri Erbach: So a few are standard criteria that you take up again, and then it becomes even more specific for the company so just driver's license rate or smartphone penetration rate and we will also weight the factors.

Ann-Kathrin Kopf: These are all quantifiable factors that we standardize accordingly, but in the in-depth market analysis we go much deeper and look at qualitative factors and then go to the city level. So this will certainly be even more relevant for you.

Fabian Krohn: That fits so far, I would perhaps see if I throw out a few more criteria in terms of efficiency, but otherwise it is very extensive. So, the next step is, you finish this and then create a ranking.

Nick Wessels: We look at which countries are most relevant through the ranking and which countries would be proposed by the ranking and clusters, which clusters the distance between the markets to Germany. That is then another factor that plays into it. Then we look at which countries are relevant for WeShare and then we look at which cities would be relevant and in the in-depth we then specifically address the individual cities. So how many cities are there and which cities have which relevance.

Fabian Krohn: And where do you draw the line in the cities? At 100,000 or 500,00?

Henri Erbach: Actually at 1,000,000 as you meant in the last conversation, that's what we actually focused on.

Fabian Krohn: Exactly, for free-floating this is super relevant, for stationary you can also do it in smaller cities you sometimes have from an entrepreneurial perspective makes more sense to open up a country with two cities than a country with only one city. This is the case, for example, in France, you have Paris and because it is so centralistic, then the cities that come after that are much smaller. Then there is the question, do you then make a city in France, or do you go to a city in another country? So yes, 1,000,000 is a strong indicator, but maybe I would even go down to 500,000, because otherwise you would sometimes be in the situation that you only make one city per country.

Henri Erbach: So, the next time we talk to each other, we have the in-depth analysis and where we want to go in more detail.

Appendix A.3: Transcript Third Interview

Date: 29th of October 2021

Interviewee: Fabian Krohn

Interviewers: Henri Erbach, Nick Wessels, Ann-Kathrin Kopf

Henri Erbach: So, after our last conversation, we finalized the Country Ranking and have now also found out the cities we want to work with. We will show you the Excel again, because we have changed something again to get the suitable cities.

Nik Wessels: Last time we had already talked about the country ranking and the respective factors that we want to include. We filled the data and last time you also said that especially the cities are relevant, so individual factors at city level and that's why we looked at all cities in Europe with more than 500.00 inhabitants in detail and the population, population growth, GDP, GDP Growth, and Apple Mobility Index and because we also look at the countries, this is then extrapolated to the countries. We then included all of this in the Country Ranking, so that we included a score for the cities.

Fabian Krohn: Have you now made a top 10 list of cities?

Nick Wessels: Not the cities, but the countries and the most relevant cities included in it. So, the more relevant the city, the more relevant the country and accordingly we look at the country and then again, the cities in the next step.

Henri Erbach: Exactly, so we have now divided the top 5 countries between us and take a closer look at those with the relevant cities. This is simply due to the structure that we have in mind to write an internationalization plan for the countries, but we have now included the city factor in the ranking and weighted it accordingly.

Nick Wessels: This shows us how many relevant cities are in a country and how relevant are the cities? This is now our ranking, we have stayed at 22 countries in total and in first place is UK, then Germany,

then France, Switzerland, Holland and Sweden. These are the most relevant countries, so let's go into detail and analyze them.

Fabian Krohn: Why UK?

Nick Wessels: Several factors, on the one hand the market is already big, has relatively high growth the population is large, you have many big cities and metropolitan areas like London, Manchester, Birmingham.

Henri Erbach: Exactly, you have a good expansion of the infrastructure, we have given all this accordingly in the Excel and we will look at that in detail now.

Fabian Krohn: Do you prefer me to give you a few points that we noticed when looking at the countries or would you like to do that only at the end? Because from the logic and the procedure it fits everything, it is super structured, comprehensible, you have formed scores, weighted, that's all clean. Basically, everything fits, the only question is, if you compare this with reality now, do we want to do that now?

Ann-Kathrin Kopf: That definitely helps, basically the point is that just because the UK is now in 1st place here in the UK does not mean that we end up recommending that WeShare should expand into the UK. Based on the results of the quantitative analysis, the UK is the best market, but in the next step we look at it in more detail and look at how easy it is to expand into the country, to analyze the competition, to look at the barriers to market entry. It is also important for us to find out whether you already have a network in the countries and whether this will reduce the barriers to market entry. In the end, we would calculate a market potential and company sales potential for you, based on the economic conditions in the cities and countries. We would like to coordinate with you again which concrete points are important to you in the analysis and what we should attach particular importance to. Especially in Sweden, for example, Stockholm's large catchment area has around 1.7 million inhabitants, the next larger city would then be Gothenburg with around 650,000 inhabitants. Would you then say that if you went to Sweden, then only to Stockholm or how would you go there?

Fabian Krohn: Well, the point you raise is of course an important one, especially the topic of single country cities, so you have a city that is super good in one country, and it meets all the criteria, but do you only do it because of this one city or do you look for synergies in another country and then make several cities? So you always have to start a subsidiary, that all costs money and that's why you can design different scenarios, so one scenario is Paris, London and a third city versus you make Italy with three good cities. That's exactly what we're dealing with. Then I would continue to hold back a bit, we also have a similar list, so the exciting thing we will be when we then juxtapose them. In the next appointment I would bring two colleagues who deal with exactly the topics and the expectation would then be that you present your results with the top 10 countries and cities and your recommendation. It would then also be important to understand how you proceeded and what your findings are. Then we can show you again what our findings are. Do you have any other questions at this time?

Ann-Kathrin Kopf: What would be good for us to know now would be your network in the individual countries that you already have, whether you already have a partner or have contacted an agency.

Fabian Krohn: That's always the question of what you rate as contact. Also, we were in Budapest, Vienna, Stuttgart, Stockholm, London, in many cities also partly personal but that does not necessarily mean that the appointment went well. So, it may also be that they have told that they have no interest at all. So basically, Germany is of course to be rated higher, because VW is very well known there. You can also make a plus in countries where VW is active, for example the Czech Republic and Prague with Skoda. There are also good contacts to Barcelona and is twinned with Hamburg, otherwise Porsche Holding is based in Vienna and Salzburg, so there are good political contacts, in the Nordics and Switzerland rather not so. France is okay, but also difficult, but it's also difficult for me to sum it up now.

Henri Erbach: Which contact person is the first when you go to a city?

Fabian Krohn: Well, we always talk to someone from the transport authority and the public transport operator, but the first step is always the transport authority of the respective city.

Henri Erbach: Where did you get the information about whether charsharing parking is for free? Because we had extreme difficulty finding information and data on this at all.

Fabian Krohn: That's absolutely right, you can evaluate that almost only through personal conversations, with desktop research this is really hardly possible. We then approached 100% electrically with our USP, so whether electric cars are allowed to park for free but that is absolutely very difficult, you can actually only find out via the press, just like in Berlin. Otherwise, do you have any questions? That looks great otherwise, I'm curious what the final result will be.

Appendix B: Overview of WeShare's Pricing Model, Flat-Rate Expenses, and Contractual Penalties

Prices

Registration / validation	0 €		
Base tariff	0 €	WeShare + tariff (per month)	€ 9.90
Drive ID.3 (per minute)	€ 0.29	Drive ID.3 (per minute)	€ 0.19
Drive ID.4 (per minute)	€ 0.34	Drive ID.4 (per minute)	€ 0.24
Stopover ID.3 (per minute)	€ 0.29	Stopover ID.3 (per minute)	€ 0.05
Stopover ID.4 (per minute)	€ 0.34	Stopover ID.4 (per minute)	€ 0.05
Daily price ID.3 (24h each)	58 € ¹	Daily price ID.3 (24h each)	€ 48 ¹
Daily price ID.4 (24h each)	68 € ¹	Daily price ID.4 (24h each)	58 € ¹
Inclusive kilometers	100 km	Inclusive kilometers	150 km
Additional kilometers ID.3 (per km)	€ 0.29	Additional kilometers ID.3 (per km)	€ 0.29
Additional kilometers ID.4 (per km)	€ 0.34	Additional kilometers ID.4 (per km)	€ 0.34
Liability reduction (per trip)	1 €	Liability reduction (per trip)	1 €

¹ You can rent the car for 72 hours at a time.

Flat-rate expenses

Airport flat rate	7 €	Handling of accidents and vehicle damage	50 €
Credit card chargeback	20 €	Loss, theft or destruction of the charge card	100 €
Processing of towing processes (plus further debiting of the towing invoice from the 3rd company)	50 €	Recover lost property by the customer (blocking the vehicle)	30min free, afterwards 15 € (per hour)
Repatriation of vehicles / costs when parking the WeShare vehicle outside of the business area	Min. 500 €	Recover lost property by the service team (to the lost property office)	100 €
Service trip due to customer fault	100 €	Issuing a certificate	35 €
Special cleaning (e.g. due to heavy soiling / smoking) of the vehicle due to a violation of the terms and conditions	Min. 50 €	Battery completely empty or battery under 20km remaining range (if necessary plus towing costs)	50 €

Contractual penalties

Processing of administrative offenses, parking violations, traffic violations, warning fines and violations of the terms and conditions (per file number)	20 €	Use of the charge card contrary to the contract	€ 250
Passing on the customer card / log-in data	500 €	Special cases, criminally relevant facts	€ 250
Loss, theft or destruction of charging cables	500 €	Coupling of a (private) CarNet user account with a WeShare vehicle	150 €
Unauthorized trips abroad	€ 250	Driving without a valid driver's license	500 €

Appendix C: Financial Statements of UMI GmbH

Appendix C.1: Balance Sheet

Bilanz zum 31. Dezember 2020

AKTIVA

	Stand 31.12.20 €	Stand 31.12.19 €
A. ANLAGEVERMÖGEN		
I. Immaterielle Vermögensgegenstände	90.099,96	153.286,65
II. Sachanlagen	467.538,23	441.147,16
	557.638,19	594.433,81
B. UMLAUFVERMÖGEN		
I. Vorräte	90,89	0,00
II. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen aus Lieferungen und Leistungen	102.745,63	171.750,64
2. Forderungen gegen verbundene Unternehmen	1.910.857,59	751.825,10
3. Forderungen gegen die Gesellschafterin (aus Verlustübernahme und Steuerumlage)	29.238.289,84	26.338.355,05
4. Sonstige Vermögensgegenstände	738.191,93	384.623,09
III. Kassenbestand, Guthaben bei Kreditinstituten	155.967,27	46.660,81
	32.146.143,15	27.693.214,69
C. RECHNUNGSABGRENZUNGSPOSTEN	185.296,16	17.736,67
	32.889.077,50	28.305.385,17

PASSIVA

	Stand 31.12.20 €	Stand 31.12.19 €
A. EIGENKAPITAL		
I. Gezeichnetes Kapital	25.000,00	25.000,00
II. Kapitalrücklage	75.000,00	75.000,00
	100.000,00	100.000,00
B. RÜCKSTELLUNGEN	7.175.622,45	4.263.450,20
C. VERBINDLICHKEITEN		
1. Verbindlichkeiten aus Lieferungen und Leistungen (mit einer Restlaufzeit bis zu einem Jahr)	1.356.357,36	1.633.246,67
2. Verbindlichkeiten gegenüber verbundenen Unternehmen (mit einer Restlaufzeit bis zu einem Jahr) (davon aus Lieferungen und Leistungen € 171.794,69; Vorjahr € 532.902,99)	24.127.482,32	22.187.097,87
3. Verbindlichkeiten gegenüber der Gesellschafterin (mit einer Restlaufzeit bis zu einem Jahr) (aus Lieferungen und Leistungen)	2.034,52	0,00
4. Sonstige Verbindlichkeiten (mit einer Restlaufzeit bis zu einem Jahr) (davon aus Steuern € 111.207,19; Vorjahr € 107.394,88) (davon im Rahmen der sozialen Sicherheit € 14.748,97; Vorjahr € 7.916,11)	127.580,85	121.590,43
	25.613.455,05	23.941.934,97
	32.889.077,50	28.305.385,17

Appendix C.2: Profit and Loss Calculation

Inputs Sales				
Total Customers		170.000		
Amount WeShare+ Users		15%		
Basis Customers		144.500		
Plus Customers		25.500		
Average Trip (min)		22		
WeShare Basis price per minute (€)	€	0,29	Price difference between ID3 and ID4 are neglected as mostly ID3s are used (1,400 vs. 100)	
Plus price per minute (€)	€	0,19		
Basis price per long trip	€	59,00		
Plus price per long trip	€	48,00		
Monthly WeShare+ Subscription costs	€	9,90		
Fees for administration	€	20,00	Based on WeShare pricing information	
Basis fee for trip	€	1,00		
Inputs Cars/ Trips				
Cars Berlin		1.500		
Cars Hamburg		800		
Total Cars		2.300		
Average trip car/ day		5,75		
% Longtrips		2,50%		
% Shorttrips		97,50%		
Cost Inputs				
No. Employees		85		
Annual avg. employees salary	€	75.000,00	Glassdoor	
Annual rent expenses	€	637.500,00	10% of overhead costs	
Annual Leasing ID3	€	3.600,00		
Annual Leasing ID4	€	3.624,00		
Annual car insurance	€	1.600,00		
Marketing Costs		20%	of revenue	
Charging fees	€	1.393.328,83	5.31€ für 161km energy only	
Parking fees B	€	2.600.000,00		
Parking fees HH			elctric vehicles for free	
Car collection employees				

Revenue Stream #1: WeShare+ Monthly Fees		
No. WeShare+ users		25.500
Annual WeShare+ subscription costs	€	118,80
Total Revenue	€	3.029.400,00
Revenue Stream #2: Car Sharing Service, trip based approach		
Total cars		2.300
Total trips/ day		13.225
Basis fee for activation		1
Amount of short trips		12.894
Amount of long trips		331
Basis short trips		10.960
Plus short trips		1.934
Basis long trips		281
Plus long trips		50
Daily short trip revenue	€	90.905,34
Daily long trip revenue	€	18.961,34
Total daily revenue	€	109.866,69
Total annual revenue	€	39.552.007,50
Revenue Stream #3: Fees		
Total trips/ day		13.225
Accidents/ trip		5%
Chargeable accidents/ day		661
Daily revenue fees	€	13.225,00
Annual revenue fees	€	158.700,00

**UMI – Urban Mobility International GmbH, WeShare
Profit & Loss Statement**

	2021 (no Covid-19 impact assessed)
Total Revenue	42,740,108 €
Revenue trips	39,522,008 €
Revenue subscriptions	3,029,400 €
Revenue administration fees	158,700 €
Operating Expenses	43,429,839 €
Leasing costs	8,280,000 €
Employee costs	6,375,000 €
Rent costs	637,500 €
Insurance and maintenance	3,680,000 €
Marketing costs	6,411,016 €
Parking costs	3,986,664 €
Charging costs	2,166,065 €
Car collection fees (outsourced)	4,761,000 €
Car collection fees (outsource, client)	1,506,094 €
Cleaning fees	5,554,500 €
Abbreviation for software	60,000 €
Server costs	12,000 €
Operating Profit (EBITDA)	689,731 €
Interest expenses	- €
EBIT	689,731 €
Income taxes	30%
Net income	482,812 €

WeShare KPIs:

- Revenue per user: 251,41 €/user
- Revenue per car: 18.582,66 €/car
- Revenue per trip: 8.98 €/trip
- Average km/car: 3194.4

Appendix D: PESTEL Analysis of the carsharing industry

Political

The carsharing industry is impinged by government activities on a European, national, and regional layer. To conquer a growing world population and progressing urbanisation, policy makers are pressured to come up with innovative strategies. The increasing population density and limited space in cities cause congestion, wherefore space utilisation is a pivotal task in the process of urban planning. Reducing the parking space for cars by increasing parking fees aims to incentivise urban dwellers to reconsider mobility habits. In numbers, European countries are providing 47.124.388 regulated parking spaces with an average size of 11,5 m² per slot which refers to a total area of 54 km² (Transport & Environment 2019). As the implementation of sharing schemes would potentially reduce the global car fleet by one third, these values would be equating with an area of 18 km² of regained public space within Europe (Transport & Environment 2017). Another major challenge is climate change. As part of the Paris Agreement all EU countries are obliged to reduce their greenhouse gas emissions by 95% until 2050. (Pollá, et al. 2021). This decision results in local regulations such as the ban of ICE which are propelling the electrification of passenger vehicles. In addition, the EU also invests in infrastructure and builds awareness among public administrators and private actors (Pollá, et al. 2021).

Economic:

In economic terms, the carsharing market is exposed to national infrastructure investments and was directly affected by the Covid-19 pandemic. The carsharing economy largely depends on infrastructure wherefore a correlation between infrastructure investments and revenues generated by the carsharing industry can be observed. Global spending for transport-, power- and telecom infrastructure in 2015 has been 2,3 trillion \$ which is equivalent to 3.4% of the global GDP (Woetzel, et al. 2017). Data gathered by McKinsey shows that the public transport sector has

experienced a sustained loss in popularity, facing the associated infection risks (McKinsey & Company 2021b). As a result, in post-pandemic times, personal transportation is expected to become more popular than in pre-pandemic years given the decreased infection risk.

Social:

Not only the Covid-19 pandemic had substantial effects on the transportation industry, but social trends are catalysts of the carsharing economy as well as the electrification of mobility. Car ownership is often related with social status and prosperity, encouraged by marketing of automobile manufacturers. However, these traditional patterns are about to gradually break, particularly in urban areas, increasing the need for alternative mobility solutions (Bert, Collie and Xu 2016). According to a survey conducted by the Danish data company Nordstat, 43% of the respondents claimed that environmental concerns were a driving reason to use a carsharing service (Capgemini Invent 2020). It is reasonable to assume that the electrification of vehicles is driven by the same customer segment, making the combination of carsharing and EVs a beneficial combination from a socio-economic point of view.

Demographic data of German carsharing clients shows that 57.7% of customers are male and 42.3% are female. Differentiating customers by age, the largest client group is between 25 and 34 years old and accounts for 41.5% of the total customer base. Furthermore are 48.1% of the total carsharing clients are allocated to the “high income” segment representing salaries above the 66% percentile (Statista, 2021f).

Technological:

Technological innovations such as smartphone technologies changed the way of mobility and facilitated the success of carsharing. The electrification of the engine unit, autonomous driving, and automatic charging are examples of technologies which are predesignated to increase efficiency and quality of the service (Monitor Deloitte 2017). The emerging 5G network technology is a cornerstone to increase connectivity and for the incremental implementation of autonomous driving technologies. It is expected to cover 35% of the European mobile connections by 2025 (O'Dea 2021b). In a first step, a “car to

come” concept with an empty car driving autonomously to a defined pick-up point would already increase the attractiveness of carsharing for its customers (Krohn 2021).

Environmental:

As carsharing is on a long-term basis decreasing the number of vehicles circulating, it implies a positive impact on the environment in terms of reduced greenhouse gas emissions. Additionally, this would result in an increased resource efficiency due to the higher utilization given effective regulatory policies. Several European cities already regulated traffic in the city centre with conventional ICE and more examples are expected to follow this path.

Legal:

The legal aspect is the pivotal not only for company costs in form of parking fees but also bureaucracy barriers differ significantly between European nations and cities. On an EU level, as of October 2020, only strategies in form of recommendations are available supporting the adoption of regulatory frameworks (European Union 2017). Most of the existing national and regional regulations concern only public transport leaving private transportation services being carried out within the legal framework of general transport law. These unsecure conditions outline not only an opportunity but also a major risk for carsharing companies calling for action plans from law makers to adjust their business strategies to regional legal circumstances (European Union 2017).

Appendix E: Assessment of Global Readiness

1. Is the foreign market similar to the domestic market? (The more similar the market the more favorable): Yes, cultural and geographical proximity in all European countries.
2. Is the End User of the product in the foreign market the same as in the domestic market? (The more similar the End User the more favorable): Yes.
3. Is the product successful in the domestic market? (The more successful the more favorable): Yes, brand establishment in both Berlin and Hamburg and increase in user base.
4. Is the product unique? (The more unique the product the more favorable): Strong USP but not fully unique.
5. Does the product perform the same function in the foreign market as it does in the domestic market? (If yes, the more favorable): Yes.
6. Are the product use conditions the same in the foreign market as they are in the domestic market? (If yes, the more favorable): Yes, but language adjustments according to the country.
7. Does the product need modifications to meet the needs of the customers in the foreign market? (High level of modification will make it less favorable): Low level of modification.
8. What is the stage of the product's life cycle in the home market? (Early stage is more favorable): Early to mid-stage.
9. What is the stage of the product's life cycle in the international market? (Early stages are more favorable): Early stage.
10. Does the product require after-sales service? (If yes, the less favorable): No after-sales service required.
11. Is the company in a position to provide after sales-service to its customers in the foreign market? (If yes, the more favorable): Yes.
12. Would export orders hurt domestic sales? (If yes, the less favorable): No.

13. Does the company have the financial resources necessary for export? (If yes, the more favorable): Yes.
14. Does the company have in-house personnel with export related knowledge/experience? (If yes, the more favorable): Yes.
15. Is international/global participation part of the Mission Statement of your company? (If yes, the more favorable): No.
16. Is international expansion a part of the strategic business plan of the company? (If yes, the more favorable): Yes.
17. Would the company be willing to investigate export market opportunities? (If yes, the more favorable): Yes.
18. Would the company be willing to attend and/or participate in Trade Shows abroad? (If yes, the more favorable): No.
19. Is the company willing to translate company literature into one or more foreign languages? (If yes, the more favorable): Yes.
20. Are the company's top competitors involved internationally? (If yes, less favorable but this could also serve as one of the key reasons to internationalize): No.
21. Is the industry highly regulated? (If yes, the less favorable): Yes.
22. Is the company certified- ISO 9000 or other certification? Yes.

Appendix F: Country Long and Country Short List

Level 1: Long List	Level 2: Full territory in Europe	Level 3: Cities with 500k inhabitants	Level 3: Political risk index max. 4	Level 4: Insufficient data	Level 5: Short List
Albania	Albania				
Andorra	Andorra				
Austria	Austria	Austria	Austria	Austria	Austria
Belarus	Belarus	Belarus	Belarus		
Belgium	Belgium	Belgium	Belgium	Belgium	Belgium
Bosnia and Herzegovina	Bosnia and Herzegovina				
Bulgaria	Bulgaria	Bulgaria	Bulgaria	Bulgaria	Bulgaria
Croatia	Croatia	Croatia	Croatia	Croatia	Croatia
Czech Republic	Czech Republic	Czech Republic	Czech Republic	Czech Republic	Czech Republic
Denmark	Denmark	Denmark	Denmark	Denmark	Denmark
Estonia	Estonia				
Finland	Finland	Finland	Finland	Finland	Finland
France	France	France	France	France	France
Germany	Germany	Germany	Germany	Germany	Germany
Greece	Greece	Greece	Greece		
Hungary	Hungary	Hungary	Hungary	Hungary	Hungary
Iceland					
Ireland	Ireland	Ireland	Ireland	Ireland	Ireland
Italy	Italy	Italy	Italy	Italy	Italy
Kazakhstan					
Kosovo	Kosovo				
Latvia	Latvia	Latvia	Latvia		
Liechtenstein	Liechtenstein				
Lithuania	Lithuania	Lithuania	Lithuania	Lithuania	Lithuania
Luxembourg	Luxembourg				
Malta	Malta				
Moldova	Moldova	Moldova	Moldova		
Monaco	Monaco				
Montenegro	Montenegro				
Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands
North Macedonia	North Macedonia				
Norway	Norway	Norway	Norway	Norway	Norway
Poland	Poland	Poland	Poland	Poland	Poland
Portugal	Portugal	Portugal	Portugal	Portugal	Portugal
Romania	Romania	Romania	Romania	Romania	Romania
Russia					
San Marino	San Marino				
Serbia	Serbia	Serbia	Serbia		
Slovakia	Slovakia	Slovakia			
Slovenia	Slovenia	Slovenia			
Spain	Spain	Spain	Spain	Spain	Spain
Sweden	Sweden	Sweden	Sweden	Sweden	Sweden
Switzerland	Switzerland	Switzerland	Switzerland	Switzerland	Switzerland
Turkey	Turkey				
Ukraine	Ukraine	Ukraine			
United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
Vatican	Vatican				

Special Case Eliminations	
Country	Reason
Cyprus	No large city available
Iceland	No large city available
Malta	No large city available

Notes:

- The goal of the present funnel is to create a short list of potential expansion countries for WeShare.

For the sake of reducing complexity, countries are eliminated by using filters of fundamental importance before the actual country ranking procedure. The initial long list is illustrated in column "B" (Long List), the final short list can be found in column "L" (Short List).

Appendix G: Country Ranking Indicators & Variables

Market Size (10%)	Population Density	Population density as the concentration of individuals within a species in a specific geographic locale is relevant since WeShare's services mostly focus on the city centre and a close radius of that. Davidson and Infranca discussed how proximity and population density bring about agglomeration benefits and a high population density in the city then means to potentially reach a higher number of customers.
	Carsharing Revenue	The carsharing revenue generated in a specific country or city sheds light on how progressive the country or city is in terms of carsharing and how large the market is.
	Carsharing Revenue Growth	Since carsharing is still a developing mobility option, it is relevant to take into consideration how fast and how much revenues in the carsharing industries have grown in the past years. This serves as further indicator how big the market for WeShare might be in the future.
	Total Carsharing Users	Similar to the revenue, the number of customers using carsharing revenues is essential to grasp how many potential customers could be reached with WeShare's service.
	User Growth Rate	The user growth rate serves as an indicator of whether carsharing is growing in popularity.
	Penetration Rate 2019	The penetration rate shows how much percent of a country's population is using carsharing services, therefore also serving as an indicator of the popularity of the service.
	Penetration Growth Rate	This variable shows whether a growing percentage of the total population is using carsharing services.
Market growth rate (5%)	GDP per capita	Measures the economic development and the standards of living of the country. It tells how prosperous a country feels to each of its citizens and exemplifies purchasing power. The relatively high score is explained by that fact that EGG is a premium product which demands medium-high purchasing power.

	GDP per capita growth annual	The annual GDP per capita growth indicates how the economic growth is developing.
	Expected recovery rate post Covid	This variable is related to the Covid 19 pandemic. It indicates how well a country's economy recovered from the economic downturn during the pandemic. This is very relevant, since carsharing operators' revenues decreased dramatically during the pandemic.
Market receptivity (6%)	Average parking costs	The parking costs in a country/ city are one the major costs blocks for carsharing providers and therefore should be evaluated before an expansion target is chosen. The relation between off- and on street depend on the situation in the city. However, on street is usually more relevant for carsharing.
	European innovation scoreboard	As WeShare's service is innovative and requires a certain degree of openness of a country towards new technologies, the scoreboard offers information about how open a country is for new technological developments.
	Sharing economy index	As WeShare's service is based on a service in the sharing industry, the index provides a glimpse of how penetrated the service is already in the country and how inhabitants are used to services like that.
Commercial infrastructure (9%)	No. of charging stations	The number of available charging stations is of crucial importance for WeShare's service as the company offers an electric fleet exclusively. The more charging stations a country offers, the more convenient is the charging of the cars for the customers and WeShare. For WeShare this means reduced costs. In general, a high number of charging stations indicates a company's affinity towards electric vehicles and related services.
Standard of living (6%)	Life expectancy	The life expectancy is a measure that shows the overall human development of a country reflecting the general attractiveness of a country as a market.
	Unemployment	The unemployment rate gives an idea about the overall economic situation of a country and therefore reflects the attractiveness of the market and the economic performance.
	Consumer price index	The Consumer Price Index measures the weighted average of prices of a basket for instance of the carsharing industry.

	Median disposable income	Assessing the median disposable income shows how much money the inhabitants of a country have available for the service of WeShare and in general to purchase services.
Country risk (13%)	Ease of doing business index	The Ease of doing business index is a combination of several parameters related to starting up a business, such as paying taxes, contract enforcement, credit availability or trading across borders. It serves as an indicator on how conducive the regulatory environment of a country is to start and operating a business. This is of very high relevance for WeShare when expanding to another country, consequently a high weighting is allocated to it.
	Global corruption index	The Global corruption index ranks countries according to their perceived levels of corruption in their public authorities. Since carsharing operators are dependent on the cooperation with the country's public authorities regarding securing parking permits etc. this factor is of relevance
	Political risk rating	The variable explains the uncertainty of investing in each country regarding political rate risks among others.
	International tax competitiveness index	The income tax for a business has a direct influence on a company's bottom line and the overall profitability. The competitiveness index compares the tax rates of countries and shows which countries offer more favourable conditions.
Economic freedom (2%)	Economic freedom index	The economic freedom reflects whether a country is an attractive market in terms of trade freedom, tax burden and judicial effectiveness.
	Political freedom index	The political freedom index reflects if a country is in line with the corporate values of WeShare and thus if an expansion is feasible. However, since only EU countries are considered, the variable is not weighted high.
Cultural distance (3%)	Cultural distance to Germany	This variable indicates how similar the cultures of the home country and the target country of the expanding business are. Through these conclusions and assumptions can be drawn about how similar business is being conducted in the respective countries and how customers attitudes are towards the service.
Digital (11%)	Individuals using the internet (% of population)	The internet usage is a strong indicator of a country how the inhabitants use digital services in general in their daily life.

	Grid density (4G Netzabdeckung)	The grid density shows how well the network coverage is developed in a country. Since WeShare's business is being used via a smartphone App a well-developed grid is crucial.
	Cisco digital readiness index	The Cisco Digital readiness index assess the digital affinity of a country towards digital capabilities and how the country adopts new technologies and makes use of them. Subsequently, it is importance as WeShare operates in the technological sector with a digital service.
	Smartphone penetration rate	The service of WeShare is executed via an application on the smartphone and requires amongst other things a registration process and thus a certain degree of smartphone affinity and of course the availability of a smartphone in the population.
Sustainability (2%)	Sustainable Competitiveness	As the USP of WeShare is the electrification of its fleet and thus the position itself as an environmental responsible company, the environmental performance of the country is important to justify the expansion.
	Environmental Performance	As the USP of WeShare is the electrification of its fleet and thus the position itself as an environmental responsible company, the environmental performance of the country is important to justify the expansion.
City Factors (33%)	Urban Population	The Urban Population size on City level allows indications about the total target group of the country.
	Urban Population Growth (2020-2025)	The Urban Population Growth on city level allows indications about the growth of each countries total target group potential.
	GDP	The GDP shows the economic productivity of each countries most relevant cities indicating the combined wealth of the individual cities.
	GDP per Capita	The GDP per capita shows the average economic output an inhabitant has over the combined cities indicating the average productivity and wealth of one inhabitant.
	Innovation Index	The innovation index is an indication of the potential of a city for innovation. Here, political, economic and infrastructural indicators are combined.

	Apple Mobility Index	The Apple Mobility Index measures the change in demand for mobility in the categories of driving, walking and public transportation from 2020 to 2021, which provides a basic indicator of the demand for mobility solutions.
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Appendix H: Results of the Country Ranking

Rank		Score		Country
1		61,33		United Kingdom
2		58,67		Germany
3		53,23		France
4		52,83		Switzerland
5		50,85		Netherlands
6		50,51		Sweden
7		50,42		Norway
8		47,80		Denmark
9		45,76		Spain
10		44,43		Finland
11		43,48		Austria
12		42,52		Ireland
13		41,68		Belgium
14		40,51		Italy
15		38,21		Czech Republic
16		30,74		Lithuania
17		30,70		Croatia
18		29,58		Portugal
19		27,55		Poland
20		23,84		Romania
21		19,86		Bulgaria
22		18,69		Hungary

Appendix I: Country Clustering Process

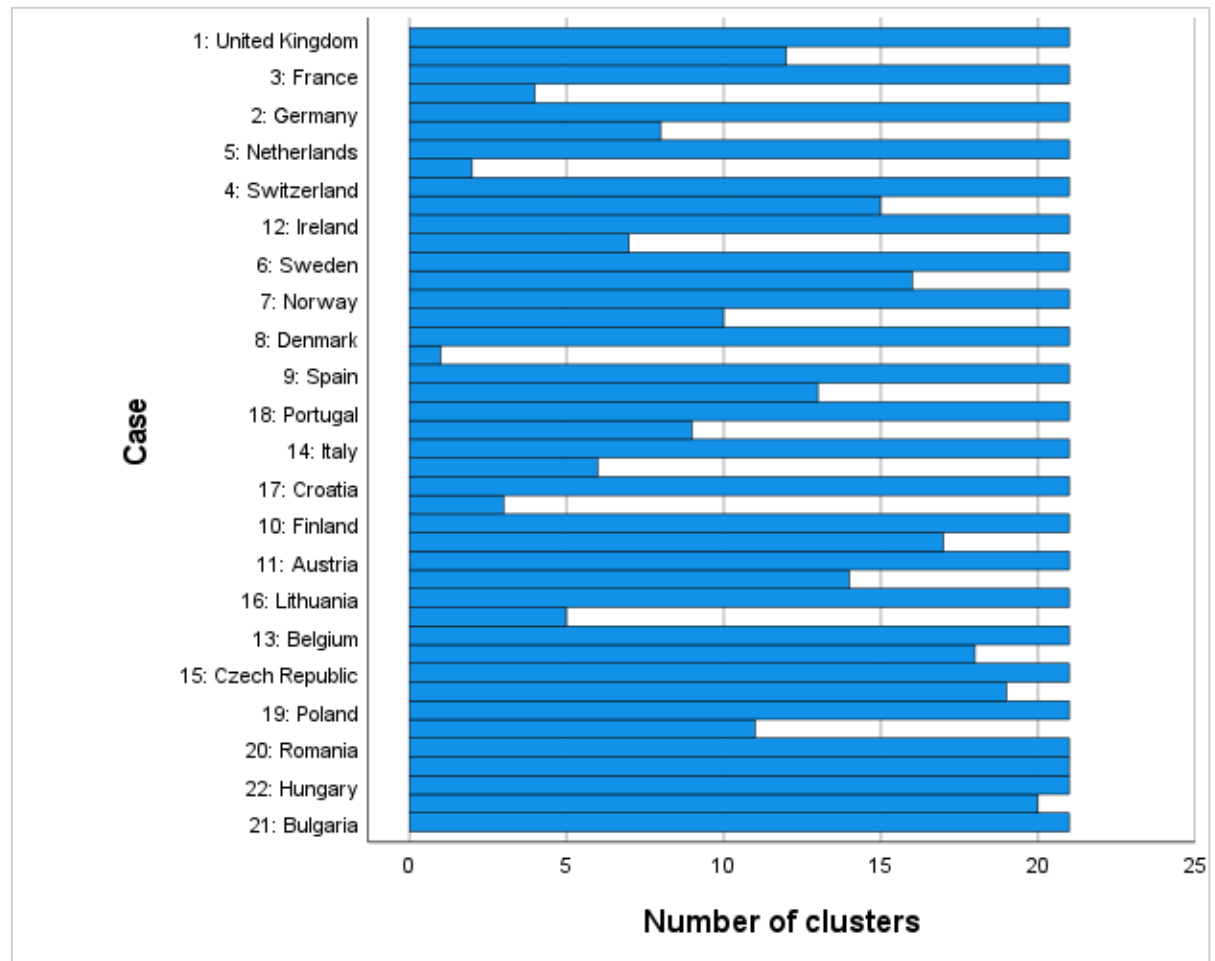
Appendix I.1: Factor Correlation Calculation

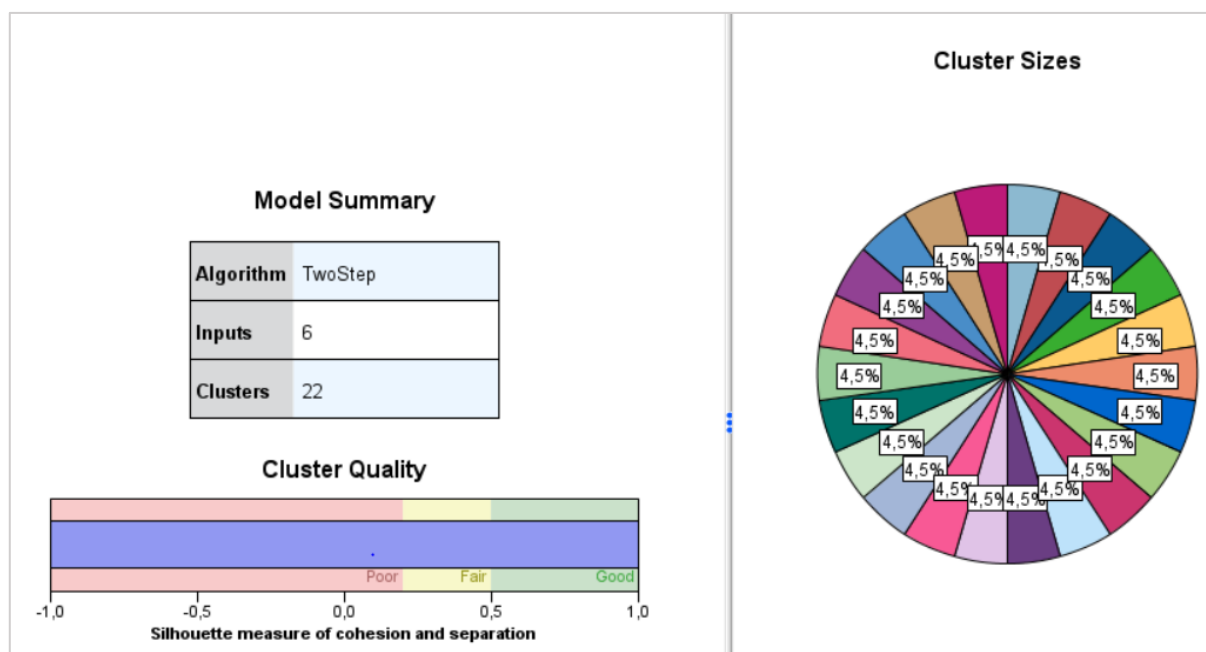
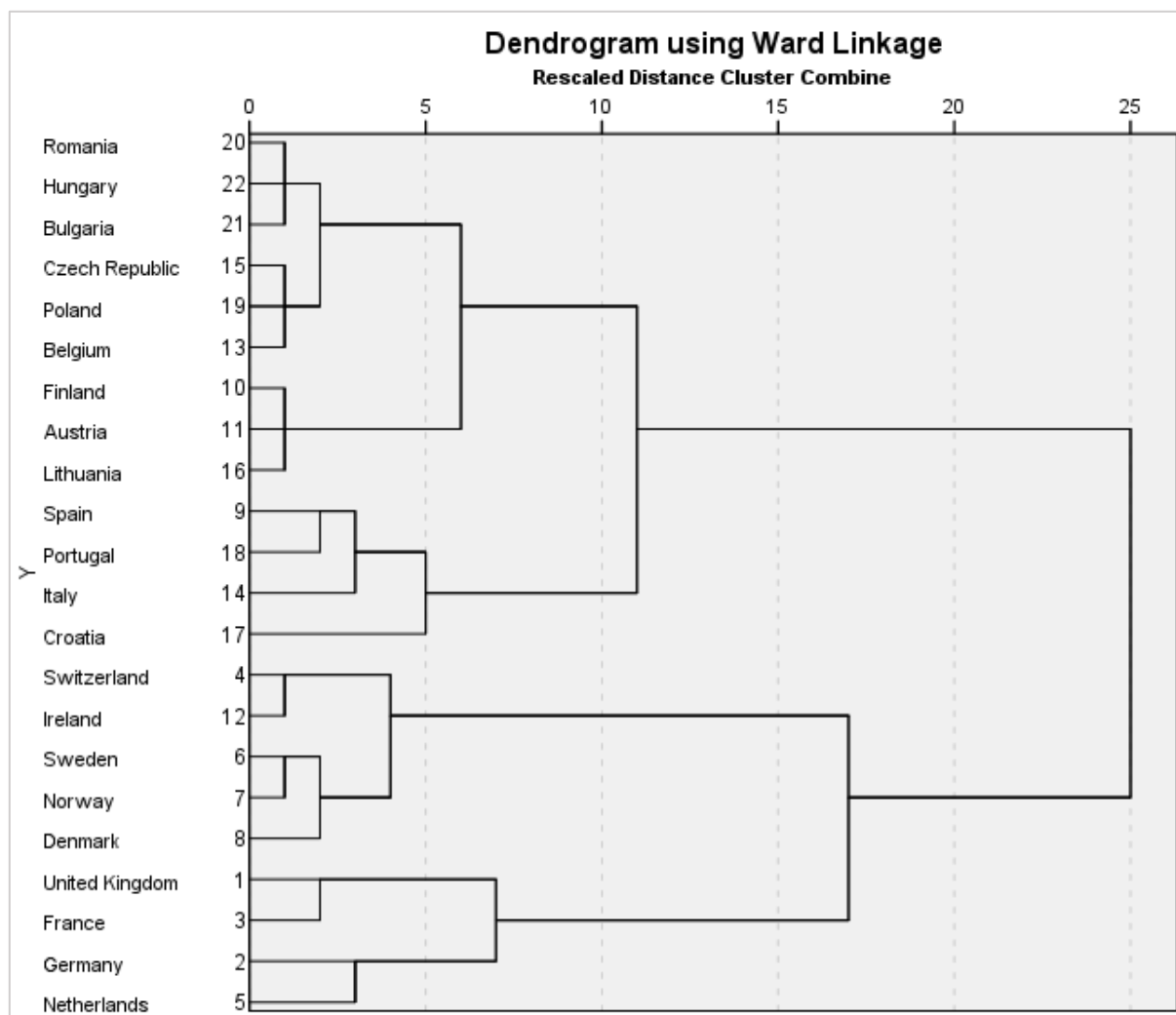
		Korrelationen															
		PopulationDensity	CarSharingRevenue	CarSharingRevenueGrowth	GDPperCapita	RecoveryRate	SharingEconomyIndex	NoOfChargingStations	EaseOfDoingBusinessIndex	CulturalDistanceToGermany	SmartphonePenetrationRate	EnvironmentalPerformance	GDPperCapita	InnovationIndex	AMIDriving	UrbanPopulation2020	
PopulationDensity	Pearson-Korrelation	1	.266	-.146	.181	-.041	-.041	.653**	.186	.317	.174	.244	.246	.054	-.115	.286	
	Sig. (2-seitig)		.232	.516	.419	.855	.855	<.001	.408	.150	.439	.274	.273	.810	.609	.196	
	Quadratsummen und Kreuzprodukte	315683,295	138189,222	-119,158	10445079,47	-125,996	-1502,125	30656773,80	8377,235	4678,977	4492,454	4809,973	21333408,80	497,053	-7578,406	5690889144	
	Kovarianz	15032,538	6590,439	-5,674	497384,737	-6,000	-71,530	1459846,372	398,916	222,808	213,926	229,046	1015876,609	23,669	-360,876	270994721,1	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
CarSharingRevenue	Pearson-Korrelation	.266	1	-.275	.003	.454*	.127	.444*	-.035	.355	-.132	.317	-.070	.031	.008	.914**	
	Sig. (2-seitig)	.232		.215	.989	.034	.574	.039	.876	.105	.557	.150	.756	.891	.970	<.001	
	Quadratsummen und Kreuzprodukte	138189,222	857146,773	-369,637	291121,775	2278,064	7661,323	34315487,45	-2632,545	8622,851	-5635,845	10315,941	-10122399,7	468,511	913,009	2,994E+10	
	Kovarianz	6590,439	40816,513	-17,602	13862,942	108,479	984,825	1634070,831	-125,359	410,612	-268,374	491,235	-482019,031	22,310	43,477	1425694113	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
CarSharingRevenueGrowth	Pearson-Korrelation	-.146	-.275	1	-.367	-.104	-.340	-.334	.114	.185	-.185	-.219	-.250	-.209	-.109	-.228	
	Sig. (2-seitig)	.516	.215		.093	.646	.121	.129	.613	.411	.411	.327	.261	.350	.630	.308	
	Quadratsummen und Kreuzprodukte	-119,158	-369,637	2,103	-54460,594	-.815	-32,183	-40433,245	13,282	7,031	-12,303	-11,153	-56355,257	-4,931	-18,406	-1168641,9	
	Kovarianz	-5,674	-17,602	.100	-2593,362	-.039	-1,533	-1925,393	.632	.335	-.586	-.531	-2683,584	-.235	-.876	-556499,140	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
GDPperCapita	Pearson-Korrelation	.181	.003	-.367	1	-.264	.102	.248	-.531*	.022	.795**	.764**	.913**	.611**	-.344	-.059	
	Sig. (2-seitig)	.419	.989	.093		.235	.650	.266	.011	.922	<.001	<.001	<.001	.003	.117	.795	
	Quadratsummen und Kreuzprodukte	10445079,47	291121,775	-54460,594	1,049E+10	-146565,866	684414,006	2121710679	-4370243,919	59814,348	3743581,283	2748033,973	1,453E+10	1017268,239	-4112911,403	-2,120E+11	
	Kovarianz	497384,737	13862,942	-.2593,362	499596116,4	-6979,327	32591,143	101033841,9	-.208106,853	2848,302	178265,775	130658,761	691705589,3	48441,345	-195852,924	-1,012E+10	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
RecoveryRate	Pearson-Korrelation	-.041	.454*	-.104	-.264	1	.140	.033	.083	-.051	-.252	-.011	-.358	-.098	.326	.629**	
	Sig. (2-seitig)	.855	.034	.646	.235		.534	.886	.715	.822	.257	.960	.102	.665	.139	.002	
	Quadratsummen und Kreuzprodukte	-125,996	2278,064	-.815	-146565,866	29,358	49,464	14731,273	35,973	-7,246	-62,837	-2,135	-300960,366	-8,612	206,210	1,20583118,2	
	Kovarianz	-6,000	108,479	-.039	-6979,327	1,398	2,355	701,489	1,713	-.345	-2,992	-.102	-14331,446	-.410	9,820	5742053,247	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
SharingEconomyIndex	Pearson-Korrelation	-.041	.127	-.340	.102	.140	1	.063	-.152	-.412	.209	.238	.016	-.033	.592**	.139	
	Sig. (2-seitig)	.856	.574	.121	.650	.534		.782	.498	.057	.350	.287	.943	.882	.004	.538	
	Quadratsummen und Kreuzprodukte	-1502,125	7661,323	-32,183	684414,006	49,464	4251,588	340924,355	-798,445	-705,606	627,015	544,176	165043,349	-35,477	4506,508	319997463,6	
	Kovarianz	-71,530	364,825	-.1533	32591,143	2,355	202,457	16234,493	-38,021	-33,600	29,898	25,913	7859,207	-1,689	214,596	15237974,46	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
NoOfChargingStations	Pearson-Korrelation	.653**	.444*	-.334	.248	.033	.063	1	-.154	.284	.217	.453*	.387	.266	-.170	.521*	
	Sig. (2-seitig)	<.001	.039	.129	.266	.886	.782		.494	.185	.331	.034	.075	.232	.450	.013	
	Quadratsummen und Kreuzprodukte	30656773,80	34315487,45	-40433,245	2121710679	14731,273	340924,355	6961072017	-1032739,909	644418,292	834739,191	1326396,718	5025325551	360660,323	-1656087,017	1,539E+12	
	Kovarianz	1459846,372	1634070,831	-1925,393	101033841,9	701,489	16234,493	32432000,8	-.49178,091	30686,585	39749,485	63256,987	239301216,7	17173,825	-78861,287	7,329E+10	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
EaseOfDoingBusinessIndex	Pearson-Korrelation	.186	-.035	.114	-.531*	.083	-.152	-.154	1	.159	-.532*	-.639**	-.504*	-.521*	.382	-.079	
	Sig. (2-seitig)	.408	.876	.613	.011	.715	.498	.494		.478	.011	.001	.017	.013	.079	.728	
	Quadratsummen und Kreuzprodukte	8377,235	-2632,545	13,282	-4370243,919	35,973	-798,445	-1032739,909	6455,091	336,362	-1963,709	-628995,699	-679,877	3587,863	-223643727		
	Kovarianz	398,916	-125,359	.632	-208106,853	1,713	-38,021	-49178,091	307,385	16,017	-93,510	-85,752	-299475,986	-32,375	170,851	-10649701,3	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
CulturalDistanceToGermany	Pearson-Korrelation	.317	.355	.185	.022	-.051	-.412	.294	.159	1	-.144	.135	.040	-.029	-.100	.280	
	Sig. (2-seitig)	.150	.105	.411	.922	.822	.057	.185	.478		.523	.550	.859	.897	.659	.207	
	Quadratsummen und Kreuzprodukte	4678,977	8622,851	7,031	59814,348	-7,246	-705,606	644418,292	336,362	689,466	-173,687	124,297	163873,646	-12,547	-305,927	259941290,9	
	Kovarianz	222,808	410,612	.335	2848,302	-.345	-33,600	30686,585	16,017	32,832	-8,271	5,919	7803,507	-.597	-14,568	12378156,71	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
SmartphonePenetrationRate	Pearson-Korrelation	.174	-.132	-.185	.795**	-.252	.209	.217	-.532*	-.144	1	.685**	.773**	.482*	-.127	-.120	
	Sig. (2-seitig)	.439	.557	.411	<.001	.257	.350	.331	.011	.523		<.001	<.001	.023	.572	.595	
	Quadratsummen und Kreuzprodukte	4492,454	-5635,845	-12,303	3743581,283	-62,837	627,015	834739,191	-1963,709	-173,687	2111,311	1105,048	5517372,060	360,076	-683,183	-194805327	
	Kovarianz	213,926	-268,374	-.586	178265,775	-2,992	29,898	39749,485	-93,510	-8,271	100,539	52,621	262732,003	17,146	-32,533	-9276444,156	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
EnvironmentalPerformance	Pearson-Korrelation	.244	.317	-.219	.764**	-.011	.238	.453*	-.639**	.135	.685**	1	.692**	.766**	-.301	.327	
	Sig. (2-seitig)	.274	.150	.327	<.001	.960	.287	.034	.001	.550	<.001	<.001	<.001	.001	.173	.139	
	Quadratsummen und Kreuzprodukte	4809,973	10315,941	-11,153	2748033,973	-2,135	544,176	1326396,718	-1800,782	124,297	1105,048	1231,919	3772861,594	436,953	-1235,588	405415354,5	
	Kovarianz	229,046	491,235	-.531	130858,761	-.102	25,913	63256,987	-85,752	5,919	52,621	58,663	179660,076	20,807	-58,837	19305493,07	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
GDPperCapita	Pearson-Korrelation	.245	-.070	-.250	.913**	-.358	.016	.387	-.504*	.040	.773**	.692**	1	.595**	-.361	-.140	
	Sig. (2-seitig)	.273	.756	.261	<.001	.102	.943	.075	.017	.859	<.001	<.001	<.001	.004	.098	.533	
	Quadratsummen und Kreuzprodukte	21333408,80	-10122399,7	-56355,257	1,453E+10	-300960,366	165043,349	502535551	-6288995,699	163873,646	5517372,060	3772861,594	2,411E+10	1500088,356	-6552094,431	-7,708E+11	
	Kovarianz	1015976,609	-482019,031	-.2683,584	691705589,3	-14331,446	7859,207	239301216,7	-.299475,986	7803,507	262732,003	179660,076	1147981544	71432,779	-312004,497	-3,670E+10	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
InnovationIndex	Pearson-Korrelation	.054	.031	-.209	.811**	-.098	-.033	.266	-.521*	-.029	.482*	.766**	.595**	1	-.484*	.017	
	Sig. (2-seitig)	.810	.891	.350	.003	.665	.882	.232	.013	.897	.023	<.001	.004		.022	.939	
	Quadratsummen und Kreuzprodukte	497,053	468,511	-4,931	1017268,239	-8,612	-35,477	360650,323	-679,877	-12,547	360,076	436,953	1500088,356	264,100	-918,511	9937261,652	
	Kovarianz	23,669	22,310	-.235	48441,345	-.410	-1,689	17173,825	-32,375	-.597	17,146	20,807	71432,779	12,576	-43,739	473202,936	
	N	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	
AMIDriving	Pearson-Korrelation	-.115	.008	-.109	-.344	.326	.592**	-.170	.382	-.100	-.127	-.301	-.361	-.484*	1	.010	
	Sig. (2-seitig)	.609	.970	.630	.117	.139	.004	.450	.079	.659	.572	.173	.098	.022		.964	
	Quadratsummen und Kreuzprodukte	-7578,406	913,009	-18,406	-4112911,403	206,210	4506,508	-1656087,017	3587,863	-305,927	-683,183	-1235,588	-6552094,43	-918,511	13639,666	42646238,18	
	Kovarianz	-.360,876															

Appendix I.2: Country Clustering With Five Variables

Case Processing Summary^a					
Valid		Cases Missing		Total	
N	Percent	N	Percent	N	Percent
22	100,0%	0	0,0%	22	100,0%
a. Squared Euclidean Distance used					

Agglomeration Schedule						
Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	20	22	,071	0	0	2
2	20	21	,310	1	0	11
3	15	19	,686	0	0	4
4	13	15	1,112	0	3	11
5	10	11	1,560	0	0	8
6	6	7	2,296	0	0	12
7	4	12	3,130	0	0	15
8	10	16	4,372	5	0	17
9	9	18	5,721	0	0	13
10	1	3	7,239	0	0	18
11	13	20	9,013	4	2	17
12	6	8	11,347	6	0	15
13	9	14	13,874	9	0	16
14	2	5	16,785	0	0	18
15	4	6	21,628	7	12	20
16	9	17	27,037	13	0	19
17	10	13	33,469	8	11	19
18	1	2	41,166	10	14	20
19	9	10	53,979	16	17	21
20	1	4	74,629	18	15	21
21	1	9	105,000	20	19	0





Appendix I.3: Country Clustering With Three Variables

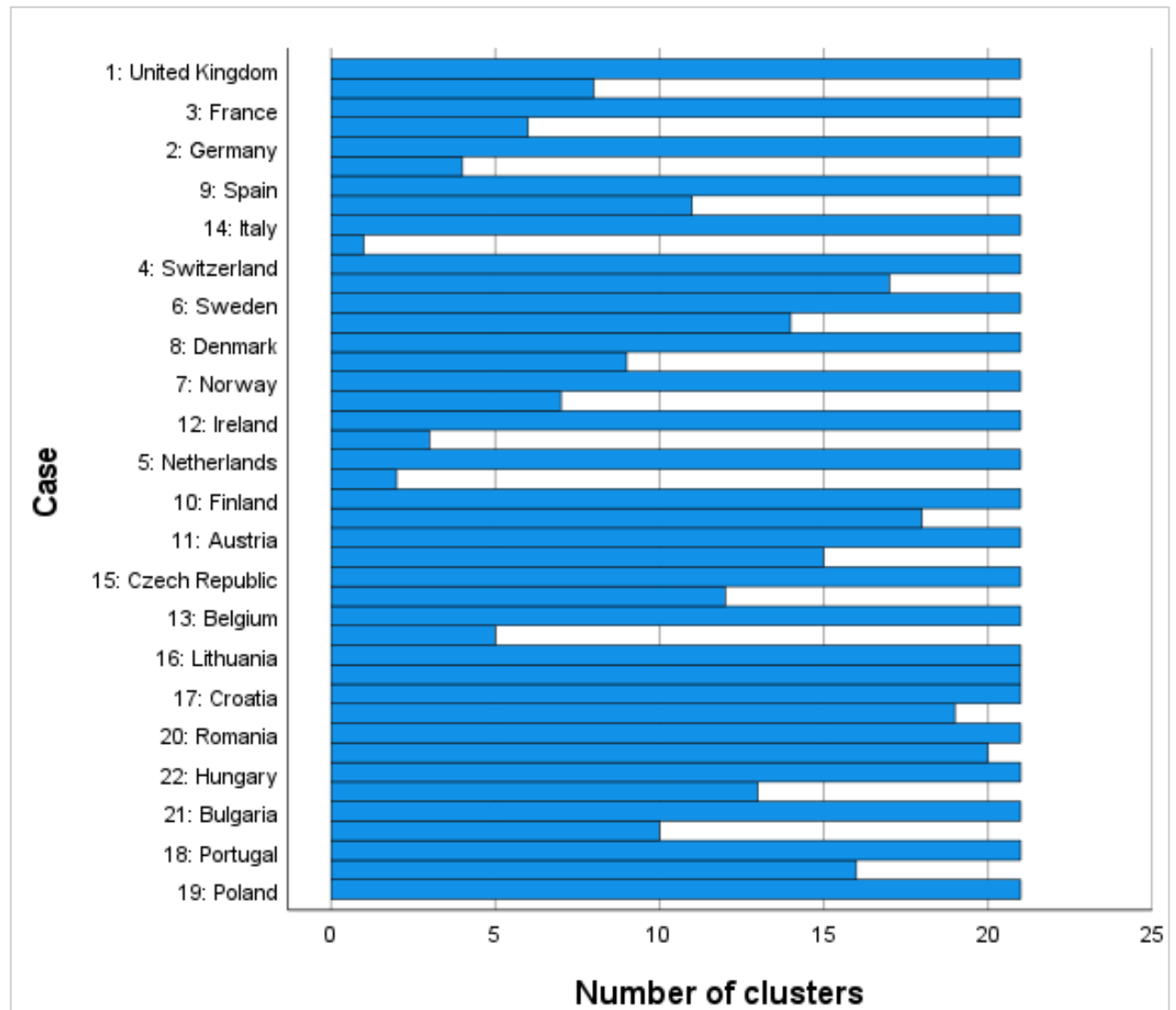
Case Processing Summary^a

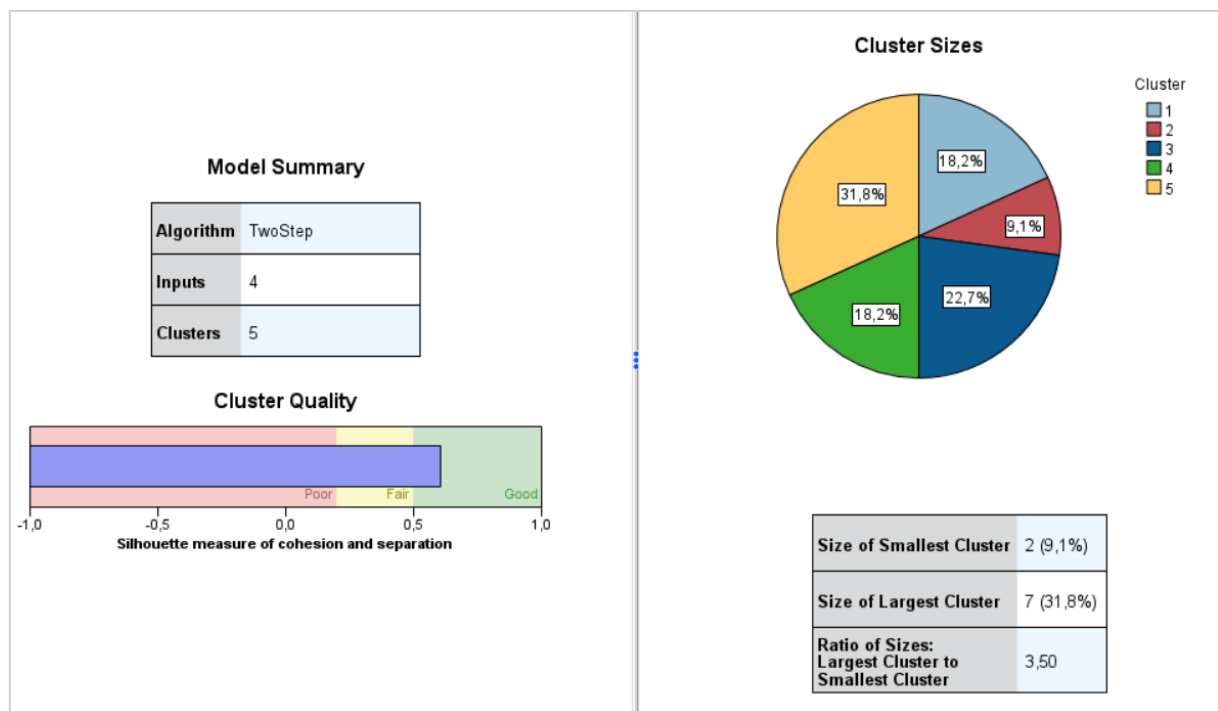
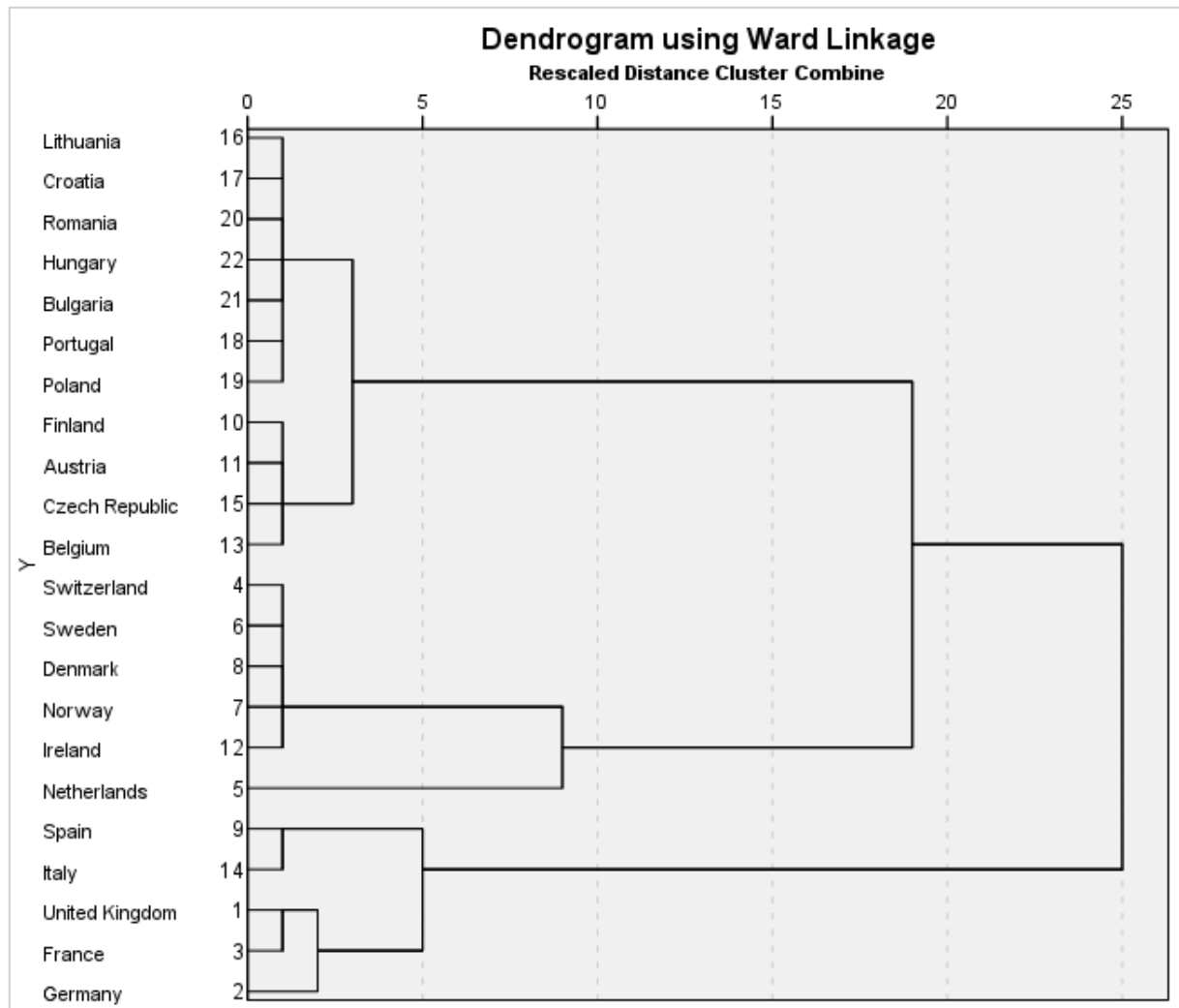
Valid		Cases Missing		Total	
N	Percent	N	Percent	N	Percent
22	100,0%	0	0,0%	22	100,0%

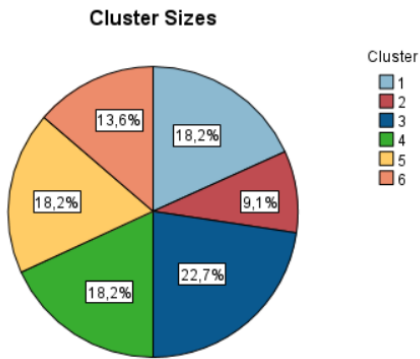
a. Squared Euclidean Distance used

Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	16	17	,006	0	0	3
2	20	22	,021	0	0	3
3	16	20	,045	1	2	9
4	10	11	,080	0	0	7
5	4	6	,125	0	0	8
6	18	19	,191	0	0	12
7	10	15	,270	4	0	10
8	4	8	,400	5	0	13
9	16	21	,531	3	0	12
10	10	13	,710	7	0	17
11	9	14	,912	0	0	18
12	16	18	1,156	9	6	17
13	4	7	1,510	8	0	15
14	1	3	2,038	0	0	16
15	4	12	2,821	13	0	19
16	1	2	4,590	14	0	18
17	10	16	7,393	10	12	20
18	1	9	11,746	16	11	21
19	4	5	20,371	15	0	20
20	4	10	38,375	19	17	21
21	1	4	63,000	18	20	0

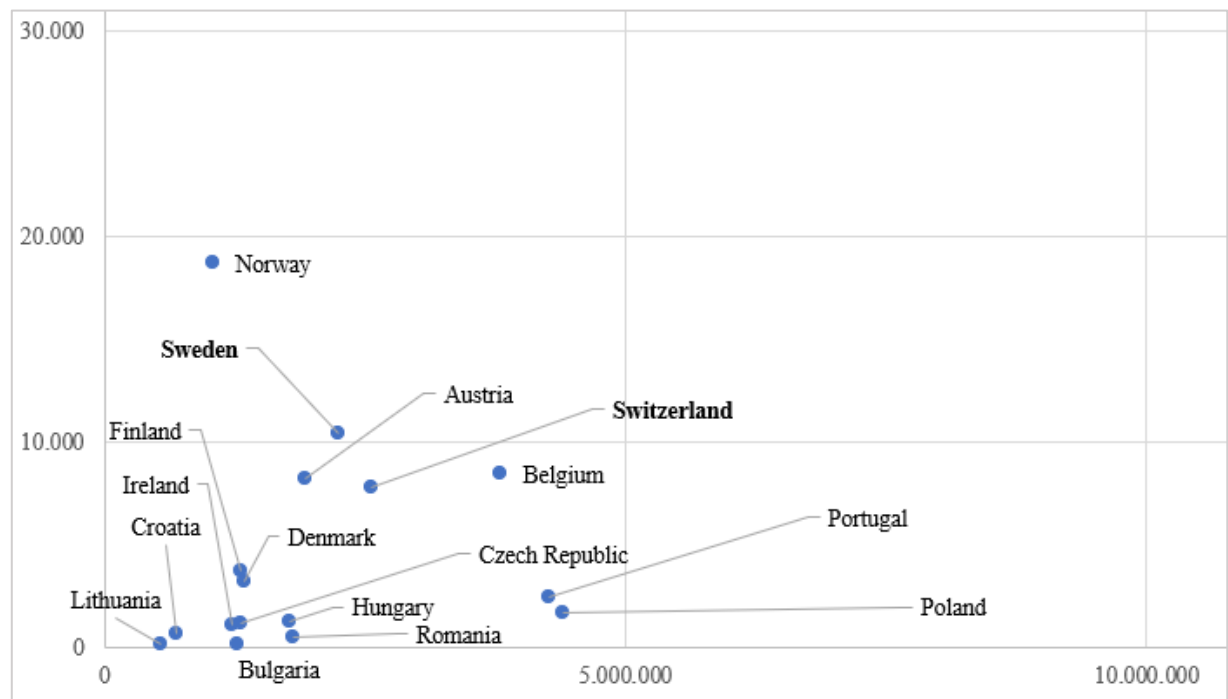
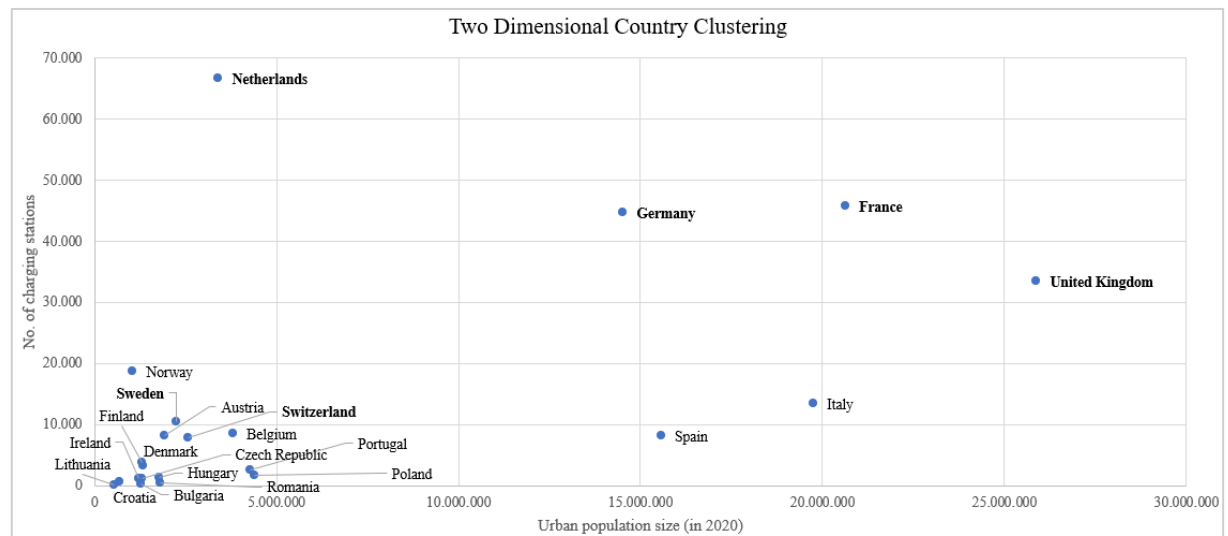






Size of Smallest Cluster	2 (9,1%)
Size of Largest Cluster	5 (22,7%)
Ratio of Sizes: Largest Cluster to Smallest Cluster	2,50

Appendix I.4: Country Clustering with Two Variables



Appendix J: Switzerland PESTEL Analysis

Indicator	Description
Political	• Switzerland has a long tradition of neutrality, refraining military involvement in affairs of other countries. • It is characterized by its federalism, shifting much sovereignty to the 26 cantons and direct democracy (MarketLine, 2021). • The implementation of direct democracy within Switzerland leads to a higher stakeholder engagement in the development of primary laws than the EU average (OECD 2020). • Switzerland has the lowest political risk within the ranking (Credendo 2021) • The political freedom rating scores 96 out of 100 (FreedomHouse 2021).
Economic	• Switzerland is the wealthiest country within Europe with an average GDP per capita of 75,737 € (World Bank, 2020b). • The GDP is expected to further grow by 2.1% per year until 2025 driven by its strong performing service and industrial sector (World Bank, 2020b). • Due to manufacturing prowess, this country's economy depends on exports of goods like pharmaceutical products, watches, and precision equipment (MarketLine, 2021). • Currency transactions for residents and non-residents as well as the proceeds from exports and repatriation of invested capital are unrestricted (MarketLine, 2021).

Social	• Germans are after the Swiss the second most represented ethnic group followed by Italian and Portuguese (Staffa, et al., 2021). • 66,2% of the Swiss population are in the age between 15 and 64 years. Breaking this number further down into smaller age groups it can be seen that 26,3% of its population are in the age between 20 and 49 and around 35% between 35 and 65 with an equal distribution of females and males (MarketLine, 2021). • Synthesizing demographic data, the European trend of a continuously aging population can be also found in Switzerland (MarketLine, 2021). • Notably is, that the net disposable income within this region stands at 37466 USD and is the highest within Europe beside Luxemburg accompanied by a relatively low social inequality (OECD 2020). • The Housing costs on the other hand are considered relatively high absorbing 22% on average of a household's disposable income (OECD 2020).
Technological	• As a share of GDP, Switzerland had the 10th highest R&D expenditures globally in 2020 and is among the world leaders in terms of scientific publications, patent applications (MarketLine, 2021). • This fact is based on prominent research institutions and universities such as the ETH Zürich and gets further underlined by the circumstance that the export sector of royalties and license fees is even more prominent than the export of financial services (Euromonitor International 2021). • The application of electric vehicles has been growing at a pace of around 50% in the past five years within Switzerland counting 52.008 battery electric vehicles in 2020. The number of public EV charging points has

	also been increasing significantly up to 7,834 charging points in 2020 (Statista, 2021). Given the fact that the CAGR of EVs was nearly two times as high as the growth rate of charging stations the number of EVs per charging point has been increasing to eleven cars, which is slightly higher than the European average (European Commission 2020).
Environmental	- Switzerland is considered an environmental-friendly country given a high score and 4th rank in the Environmental Sustainability Index (Euromonitor International 2021). - This achievement sums up the country's good performance in factors such as level of pollution, water quality, biodiversity, environmental resilience, and energy consumption (Euromonitor International 2021). - Indeed, relies Switzerland currently on nuclear power to fulfill its electric energy needs accounting for around 40% of the country's energy production. However, it has already announced the decommissioning of all nuclear power plants shifting towards renewable energy sources (MarketLine, 2021). 2020 Switzerland signed the Paris agreement setting a net-zero CO2 target by 2050. However ambiguous national endeavor towards a long-term decarbonization strategy experienced a setback by the Swiss electorate rejecting the new Federal Act on the Reduction of Greenhouse Gas Emissions (Euromonitor International 2021).
Legal	- Corruption is almost non-existent in this country (MarketLine, 2021). - The corporate income tax stays at 18,97% and the income tax on gross salaries at around 16,075% (World Bank 2020).

	• Vehicle taxation varies across the country depending on the respective canton's laws. Notably is also the relatively high costs and time required for enforcing contracts through the courts which are higher than the OECD average (World Bank 2020). • Doing business in Switzerland is considered moderately favorable in a European context scoring lower than the EU average in the "Ease of Doing Business" index calculated by the World Bank (World Bank, 2020c).
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Appendix K: Overview of Contacts and Agencies

Classification	Contact	Description
Government agencies	Federal office of Transport FOT	The Federal office of Transportation is responsible for managing all railway and public transport systems in Switzerland. further development to meet future challenges and needs is one of their main purposes. Furthermore, it manages applications for new private transport solutions (Federal Office of Transport FOT, 2021). To start the registration process this would be the first contact to connect with.
	Innosuisse - Swiss Innovation Agency	Innosuisse its mission is to foster science-based Innovation to propel the economy and industry within Switzerland. It is a federal entity under public law. It supports projects by networking, training, and coaching. (Innosuisse - Swiss Innovation Agency, 2021) Innosuisse could be a valuable partner for WeShare to build up a network with people embracing innovative concepts of mobility.
	Swiss Federal Office of Energy SFOE	The Swiss Federal Office of Energy (SFOE) is the first contact for all energy supply and energy use-related requests. It is also responsible for creating the necessary infrastructural conditions to increase renewable energy and reduce CO2 emissions (Swiss Federal Office of Energy SFOE, 2021). To get deeper insights about infrastructural projects within the

		major cities of Switzerland, this contact needs to be addressed by WeShare.
	Federal Office for the Environment (FOEN)	FOEN is an agency responsible for international environmental policies as well as the sustainable usage of natural resources, air quality, and quietness (Federal Office for the Environment FOEN, 2021). FOEN might support the concept of WeShare reducing both, the city noise level and CO2 emissions.
	Association des Services des Automobiles (Asa)	Asa's focus is to coordinate all the road & traffic offices of each canton which are responsible for registering and permitting each vehicle. Furthermore, those offices perform duties in the area of traffic safety and are managing transport levies (Association des Services des Automobiles, 2021). The respective offices for Zürich, Geneva, and Basel need to be contacted to negotiate a possible market entry of WeShare.
Associations and organizations	Autogewerbe-Verband Schweiz (AGVS)	The AGVS is a federation for Swiss company's operating in the automotive sector. Its overall goal is to communicate the interests of the industry with politicians and local authorities (Auto Gewerbe Verband Schweiz, 2021).
	Schweizerischer Nutzfahrzeugverband (ASTAG)	This association aims to develop strategies and concepts to preserve its member's economic interests in traffic and transportation and supports the implementation of those ideas. It states to add value from three different perspectives,

		namely: political, transport specific, and education & safety (ASTAG, 2021)
Banks	UBS	The UBS Group is a bank already operating in Switzerland for nearly 150 years. They offer a comprehensive portfolio of products for corporate clients such as international banking, Financing Solutions, and Payment Solutions (UBS Group AG, 2021).
	Credit Suisse	Credit Suisse was founded in Switzerland and is one of the world-leading investment bank and financial services providers. It offers tailored corporate solutions for managing investments, liquidity, and payments (Credit Suisse Group AG, 2021).
	Raiffeisen Bank	Raiffeisen Switzerland is the third-largest bank group in this country, offering a large set of services for companies of all sizes (Raiffeisen Switzerland, 2021).

Appendix L: Competitor Overview

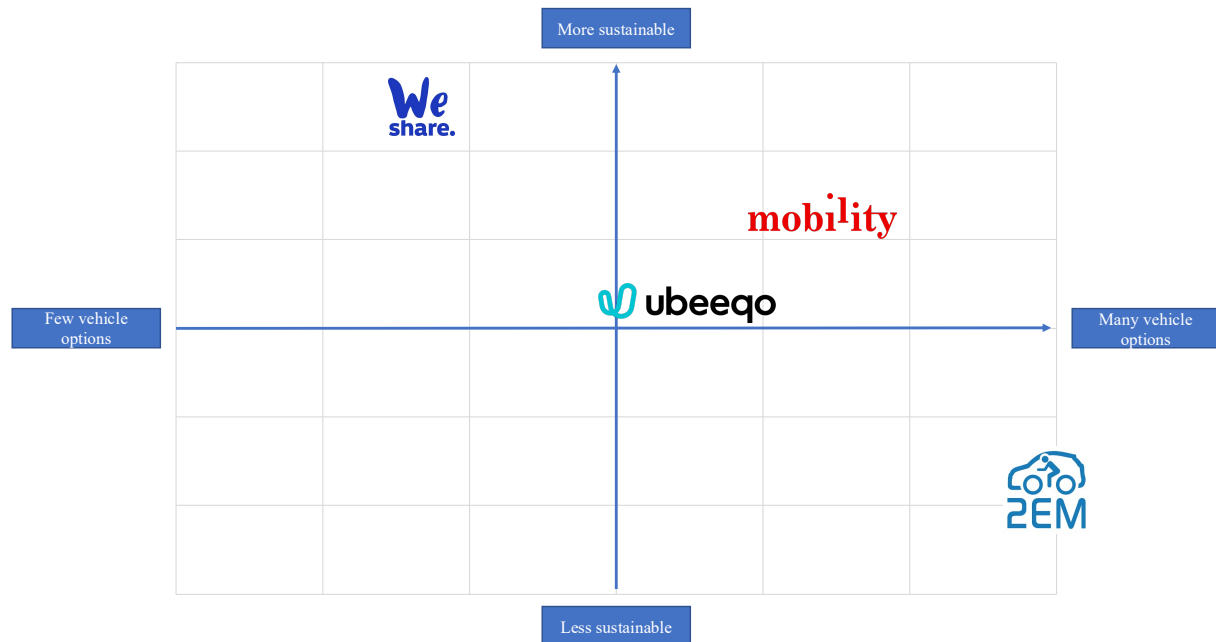
Competitor	Variables	Description	
Mobility	Core Business Model	Mobility is a car-sharing provider mainly operating a station-based concept. In Basel, it is offering under the name “Mobility Go” since 2019 an electric free-floating service with 130 EVs.	
	Product portfolio	Mobility: • Citroen C1 • Renault ZOE • Toyota Yaris • Renault Megane • BMW 320i Cabrio • AUDI A5 • VW Sharan • Mercedes Vito	Mobility Go: • E-Golf • Citroen C1
	Pricing	Mobility: (price vary across the models) 2.80 €/h and 0.74/km - Subscription model possible	Mobility Go: 0.42 €/min – 23.4 €/h 116.8 €/day
	Fleet size	Mobility: 2950 cars in total	Mobility Go: 130 EVs in total
	Number of customers	224,000 within Switzerland	

	Strengths	• Mobility has valuable Partnerships with municipal authorities and the Swiss railway company to ensure parking slots and charging stations for its station-based car-sharing services • High popularity within the Swiss population • Long tradition of car-sharing in Switzerland operating in a monopoly position for almost 20 years • Ongoing pilot project with minibuses and scooters – being able to offer integrated mobility concepts.
UbeeGo	Core Business Model	UbeeGo operates a station-based car-sharing service which is priced by hour and kilometer. The cars can be unlocked via App and are available 24h a day.
	Product portfolio	UbeeGo offers seven different models: • Seat Ibiza • Skoda Fabia • Seat Arona • VW T-Roc • Skoda Octavia • VW ID.3 • VW ID.4
	Pricing	2.70 €/h – 4.70 €/h and 0.59 €/km – 4.67 €/km - Subscription model possible
	Fleet size	100 cars in the first year

	Strengths	• Sufficient financial funds due to (AMAG Services AG) • AMAG also holds the licence for Europcar Switzerland – synergy effects between the car rental and car-sharing business • Internationally established brand • the AMAG group is a major car service and repair provider and contractual partner of Volkswagen
2 EM	Core Business Model	2 EM is the leading peer-to-peer car-sharing platform in Switzerland. It offers 24h online bookings for a minimum of 30 min.
	Product portfolio	• More than 500 different makes and models of cars
	Pricing	Prices are set computed individually based on time of use, car type, and kilometers driven.
	Fleet size	More than 2000
	Strengths	• Huge portfolio of different car models • Since privates are renting out their cars, there is no specific permission from local authorities needed. • Pick up point is automatically also the return point • Additional offering adequate insurance for lessors

Sources: (Mobility, 2021d) (Mobility, 2021c) (Mobility, 2021a) (Mobility, 2021b) (AMAG Services AG, 2020) (2EM Car Sharing GmbH, 2020)

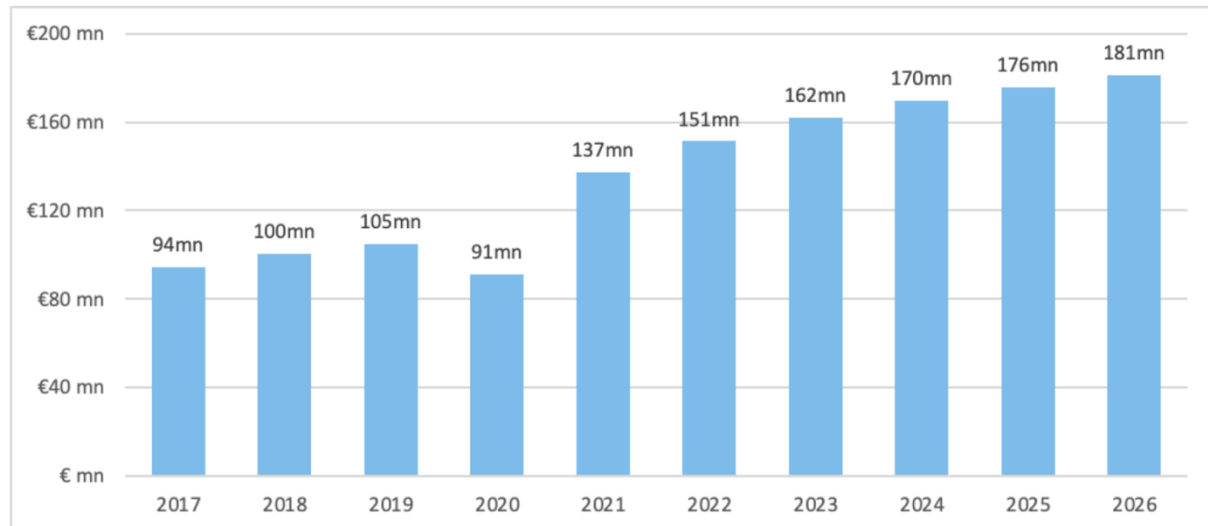
Appendix M: Competition Positioning Map in Switzerland



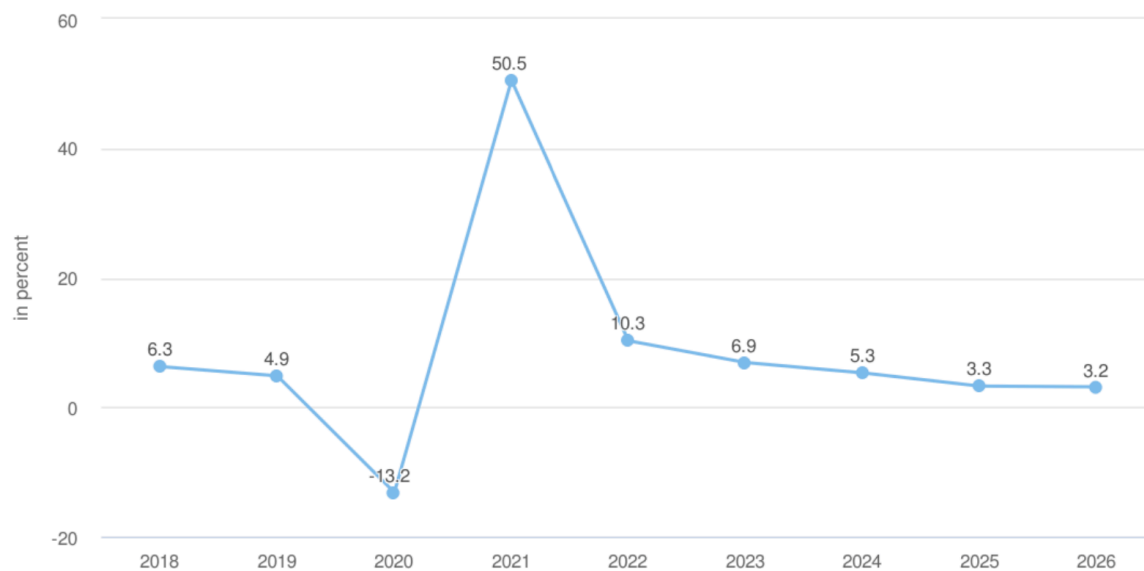
Explanation: The X-axis describes the number of different car models relative to its competitors, while the y-axis indicates the sustainability endeavors of a car-sharing company. “2EM” is providing more than 500 different cars and has the largest range of vehicles. In terms of sustainability, it offers mainly cars with conventional internal combustion engines. “Mobility” is providing slightly more different models than “UbeeQo” and is having a higher percentage of EVs in his fleet. WeShare has compared to the other market participants a unique market position by offering only two models but focusing strongly on sustainability (Appendix C).

Appendix N: Revenue Development in the Swiss Car-sharing Market from 2017 until 2025

Total revenue estimations for the Swiss car-sharing market from 2017 until 2026:



Revenue growth rates of the Swiss car-sharing in percent:



Sources: (Statista, 2021) (Appendix F4)

Appendix O: Market and company sales potential calculations in Switzerland

Appendix O.1: Total Car-sharing Market

Cities	Population 2019	Share of the total population	Car-sharing revenue 2019	Car-sharing revenue 2023
Zürich	1,383,000	54.36%	57,081,368	88,068,396
Geneva	606,000	23.82%	25,011,792	38,589,623
Basel	555,000	21.82%	22,906,840	35,341,981
Sum	2,544,000	100%	105,000,000	162,000,000

Explanation: The total car-sharing revenue is including station-based, peer-to-peer, and free-floating services and is based on individual company revenues estimated at 105 mn € in 2019. Under the assumption that car-sharing services are exclusively present in cities counting more than 500.000 inhabitants, the countries revenue has been broken down proportional to a city's population.

Sources: (Statista, 2021), (Mobility, 2021a), (World Bank 2020)

Appendix O.2: Calculation of WeShare's Car Fleet Size in Switzerland

Country	City	Area (in km ²)	Number of cars	Car density per km ²
Switzerland	Zürich	88	880	10.00
	Geneva	16	160	10.00
	Basel	24	240	10.00
Germany	Berlin	150	1500	10.00
	Hamburg	109	800	7.34

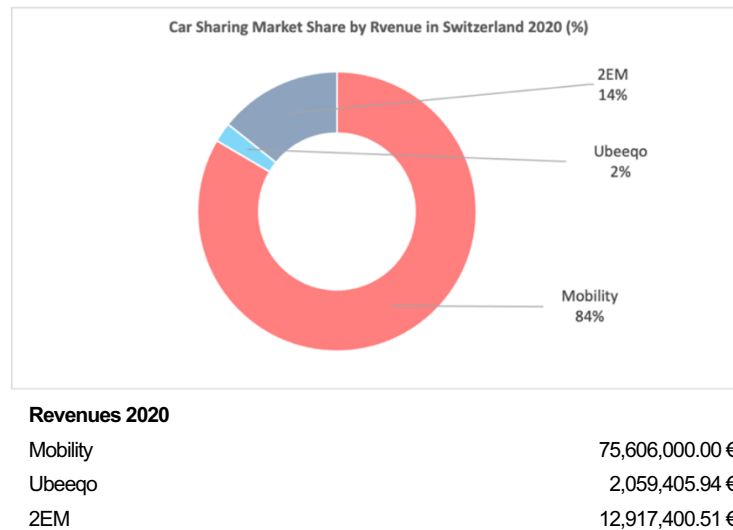
Explanation: To guarantee a comprehensive service WeShare is striving for a car density of 10 cars/km² which is the equivalent of its domestic market in Berlin. As the city of Zürich has an area of 88 km² 880 cars would be required. In Geneva, it would be 160 cars and Basel 240 cars.

Appendix O.3: Market Size without peer-to-peer services

Cities	Share of total population	Car-sharing revenue 2020 (without peer-to-peer)	Car-sharing revenue 2023 (without peer-to-peer)
Zürich	54.36%	57,081,368	75,738,821
Geneva	23.82%	25,011,792	33,187,075
Basel	21.82%	22,906,840	30,394,104
Sum	100%	90300000	139,320,000.0

Explanation: For examining the car-sharing market size in Switzerland without peer-to-peer services the current market share of peer-to-peer car-sharing has been estimated at 14%, based on available corporate balance sheets of market participants. Under the assumption that the peer-to-peer segment keeps this proportion of the market and grows according to the market average, the respective revenues for station-based and free-floating services have been computed. This step is essential since the potential market share for WeShare is calculated based on the number of vehicles in operation. However, peer-to-peer services tend to have a significantly lower revenue per car, than institutionally managed car fleets, which would bias the calculations

Appendix O.4: Car-sharing market shares in Switzerland



Sources: (Mobility, 2021a) (Statista, 2021) (Orbis, 2021)

Appendix O.5: Forecast Swiss car-sharing market 2023 with market entry in Geneva and Basel

Provider	Car Fleet Size	Market Share	Station & Free-floating car-sharing revenue 2023
Mobility	2950	86%	119,128,695.65 €
Ubeeqo	100	3%	4,038,260.87 €
WeShare	400	12%	16,153,043.48 €
Total	3,450	100%	139,320,000.00 €

Explanation: As Geneva and Basel already permitted car-sharing services within the city, the local authorities are assumed to cooperate in case of an expansion more likely. By launching its service with a total number of 400 cars WeShare gains 12% of the car-sharing market share (excluding peer-to-peer).

Appendix O.6: Forecast Swiss car-sharing market 2024 with market entry in Zürich, Geneva, and Basel

Provider	Car Fleet Size	Market Share	Station & Free-floating car-sharing revenue 2024
Mobility	2,950	68%	99,605,081 €
Ubeeqo	100	2%	3,376,443 €
WeShare	1,280	30%	43,218,476 €
Total	4,330	100%	146,200,000.00 €

Explanation: In case Zürich opens its city for free-floating services and WeShare expands with further 880 vehicles, the company would acquire 30% of the total market share in Switzerland.

Appendix O.7: Forecast Swiss car-sharing market 2024 with market entry in Zürich, Geneva, and Basel (Scenario: competitors increase fleet size)

Provider	Car Fleet Size	Market Share	Station & Free-floating car-sharing revenue 2024
Mobility	3,540	68%	99,147,126 €
Ubeeqo	400	8%	11,203,065 €
WeShare	1,280	25%	35,849,808 €
Total	5,220	100%	146,200,000 €

Explanation: WeShare expands its service to all three major cities within Switzerland until 2024 and “Mobility” increases their fleet size by 20% while “UbeeQo” launches 300 further cars (an increase of 400%) WeShare captures a 25% market share.

Appendix P: Pros and Cons of Market Entry Modes

Non-equity entry modes: Direct export strategy	
Description	In terms of entering a market through a non-equity entry mode the prevailing method is through the export strategy. The latter is considered a potential source of extra sales, meaning the foreign market the firm expands to is considered as an extension of the domestic market. Through an export strategy, firms often opt for economies of scale either through direct or indirect exports. In a direct export strategy, a firm chooses the distribution channels, marketing, and pricing of their products and services abroad.
Pros	- The firm has full control over the entire sales process - The high involvement allows for a steep learning curve for the firm in foreign operations - Understanding international markets, customer behaviours and buying habits provide new opportunities for the firm.
Cons	- Requires financial resources and the need for a fundamental knowledge about the foreign market - A firm might face difficulties in overcoming trade barriers and establishing the brand among international customers.
Non-equity entry modes: Indirect export strategy	
Description	On the contrary, an indirect export strategy requires a local agency or distribution company that serves as intermediary sales element.
Pros	- A firm does not need to be directly involved in the sales and export activities in the foreign markets.

	- The intermediary agency or distributor takes responsibility for shipping logistics or foreign distribution channels.
Cons	- If a firm chooses to do an indirect export strategy, it relies completely on the agency or distributor and thus, increases the level of dependency → The firm has little/or no control over the export processes. - The little involvement in the procedure provides no learning experience for the firm that could be beneficial if further expansions are considered.
Non-equity entry modes: Licensing or franchising	
Description	A licensing or franchising agreement is a contractual arrangement in which the licensor provides access to part of its proprietary assets, such as patents, trademarks, or technology, to the licensee in exchange for a fee or royalty. In principle, franchising contracts are similar agreements; however, they are typically used in service industries.
Pros	- Requires a detailed and extensive contract to achieve a successful foreign expansion wherefore licensing and franchising agreements are mostly suitable for standardized products, services, or processes with limited risk of dissipation of the firm's technological or managerial advantages. In case of failures, these agreements usually carry low financial losses and require a low capital outlay in the beginning.
Cons	- Given that the contracts must entail detailed information, the process requires a comparably high knowledge transfer between the licensor and the licensee. - The licensor has little or no control in the foreign operations of the licensee or franchisee and thus, also a low learning experience

Equity entry modes: Shared ownership	
Description	In general, the equity modes can be classified into two types, namely shared ownership, and full ownership. Shared ownership includes agreements between different firms with partial ownership, such as international joint ventures. An international joint venture is an agreement between two or more firms that involves setting up a new foreign business entity.
Pros	- The two firms share the risks and costs associated with expanding to a foreign country and combine their complementary assets and expertise to succeed abroad. - Oftentimes, this form of market entry is encouraged by governments.
Cons	- If two firms have differing interests, especially regarding control or strategic objectives this might lead to conflicts and internal disputes. - This form of entry mode also requires solid and experienced management otherwise the joint venture is subject to failure.
Equity entry modes: Full ownership	
Description	Lastly, a firm has the option to choose a full ownership of a subsidiary in a foreign country. In this sense, WeShare can choose between setting up subsidiaries through a greenfield investment or an acquisition. An acquisition is an attractive form of entering a foreign market whenever a firm aims to acquire and utilize assets that are incorporated in another firm, the acquisition is legally possible, the market is efficient, and it does not involve high management costs.
Pros	- Full ownership of the assets and full control over foreign operations.

	- Faster way to enter a market compared to a greenfield investment.
Cons	Potential legal issues or government barriers that prohibit firms from acquiring another company. Post-acquisition integration and merging of different company cultures and internal procedures may pose some risks.
Equity entry modes: Greenfield investment	
Description	A greenfield investment comprehends the establishment of a new business unit in an international market. A firm opts for this form of entry mode if the costs for the integration of acquisitions are too high and foreign assets such as a skilled labour force can be access without a firm takeover.
Pros	- The firm owns full control over the foreign operation. - Setting up a new business unit can be achieved without the necessity of integrating a different firm in established internal processes → managing the business unit is comparably easier and less complex.
Cons	- High cost and low speed involved in the establishment of new facilities from scratch. - Requires high market knowledge and previous international experience.

Appendix Q: Marketing Situation Analysis

Every marketing decision depends on the individual starting position, the assessment of the market and the general environment, as well as the resources and core competencies of a respective company. Hence, a careful analysis of the marketing situation as well as the forecast of important key variables form the starting point of every strategic marketing planning (Meffert, Burmann and Kirchgeorg 2015). Based on the previous company and country analysis, the following section systematically analyses all external and internal factors relevant to the marketing planning of WeShare's entry into the French market. As such, the Parisian carsharing market itself and particularly the competitive environment will be analysed more thoroughly in the context of marketing planning. This aims to understand the dynamics of the different key stakeholders in the market and their specific demand and supply conditions. Furthermore, the pricing level as well as particular consumer needs and attitudes will be of interest. Finally, a SWOT analysis is used to create a comprehensive basis for deriving a sound marketing plan.

Appendix Q.1: External Factors

A key focus in this section is the identification of strategic discontinuities, which, according to Ansoff, are events that are difficult to predict and present both opportunities and risks for WeShare (Ansoff, H. I. 1981). For this purpose, the most marketing-relevant points of the in-depth analysis with regard to market, market participants, marketing instruments, and environment are summarized below and supplemented with additional decision-relevant information.

Market

Opportunities: As mentioned, a prevailing factor for WeShare's business model is a high population density, wherefore in all markets under consideration, cities with a population greater than 1 mn inhabitants are primarily relevant. Overall, the French carsharing market is among the largest in Europe, with a significant growth rate, and high market volume. Although the market is characterized by

geographic fragmentation into five notably metropolitan areas (Paris, Lyon, Marseille-Aix-en-Provence, Toulouse, and Bordeaux), the majority of sales potential is agglomerated by Paris. Thereby, WeShare can leverage the centralization of the Parisian area to establish its brand and gain market share and later, exploit synergy effects by expanding nationally. Overall, a growth rate of more than 10% in the next four years in the market volume underlines the prospering French carsharing industry.

Already in the past decade, Paris showed an overall increase of 30% in using alternative mobility sharing options and thus, supports the positive trend towards adopting free-floating carsharing services. This trend is supported by the fact that the city of Paris shows strong commitment toward electric car sharing and accordingly, shared mobility providers and plans to release a legal kit to facilitate easier registration processes for foreign businesses.

Similar to Paris, Lyon provides favourable conditions in participating in the “Smart City” project to underline the importance of carsharing in reaching its environmental goals. As such, an increase in parking lots with dedicated spaces for EVs can be leveraged by WeShare.

Risks: The overall traffic and congestion situation poses a crucial risk for WeShare in establishing their brand. Given that the primary choice of travel is walking, and since especially Paris is characterized by a low traffic flow and high congestion rate, customers may be sceptical towards the usage of shared mobility in the city centre. The latter is also shown in a positive tendency towards public transportation and a negative tendency in driving. The forementioned geo-economic fragmentation also poses a risk in the necessity to adjust to regional policies and regulations, a different level of charging infrastructure, and potentially differing consumer habits.

Market participants

In general, in the carsharing sector two relevant key stakeholders and market participants can be identified: the consumers and the carsharing providers.

1) Consumers

Opportunities: Studies thoroughly researched French consumers' attitudes and value drivers to use carsharing offerings for commuting. The research identifies a comprehensive set of variables such as socio-demographic, socio-economic, interpersonal, and contextual factors as relevant. It is shown that particularly young people are most susceptible to carsharing, and these forms of mobility are mostly adopted in more prosperous areas. Furthermore, the awareness of existing free-floating as well as peer-to-peer providers is positively associated with the use of carsharing services. Lastly, having family members adopting carsharing services is positively correlated with the general use of carsharing (Bulteau, Feuillet & Dantan, 2019). Aside from that, the case of Autolib has shown that customers can build relationships with a shared car. Belk (1988) elaborated that knowing an object is a different way of taking ownership. These studies provide opportunities for WeShare as the service can be adjusted to meet the particular needs of the consumers. Uniformity and ease of controlling the functions within the car and the app are crucial to transform the simple usage of the car toward an experience and a concept, an idea, and an infrastructure that combines a product with the quality of a service system (Martin & Darpy, 2014). If this these opportunities are exploited, the customer views WeShare's service as an extension to themselves and identifies himself with the brand behind the product.

Risks: Given the range of French carmakers (Peugeot, Citroen, Renault etc.) and their free-floating carsharing offers, the attachment of the French to national car brands remains high with 46% of respondents preferring French car brands (LePoint, 2014). These cultural habits coupled with a narrow target group pose some risks to convince French consumers of using WeShare's German brand and service. In fact, a study carried out by the YouGov organization showed that Peugeot is the brand with the best image among the French public, far ahead of the German car manufacturers (Automotive World, 2020).

2) Carsharing providers

Opportunities: As of today, three free-floating carsharing providers are established in the Parisian market, one of them as a joint venture of German car manufacturers BMW and Daimler. The latter proves the possibility of a successful market entry in France and the ability to enhance the fleet size due to sufficient demand. Similar to the concept of fast followers, WeShare and thus, the VW group can follow the strategy of their German competitors. Thereby, they can replicate a successful strategy, for instance of Share Now and to align one's marketing strategy accordingly.

Risks: The fragmentation and competitive nature of the French free-floating carsharing segment poses risks in the infeasibility to market WeShare's USP. The free-floating business model is already adapted and established in the market and ShareNow serves their customers with an electrical car fleet as well. With an existent share of customer these market players already own a significant share of the market and becoming competitive is a serious risk for WeShare.

Marketing instruments

While the marketing instruments generally comprise the product, communications, pricing, and distribution mix, this section will lie the focus on the pricing level of the French free-floating carsharing industry but will briefly touch upon the other factors.

1) Product mix

The breath of service offerings comprises any forms of mobility, ranging from free-floating, to station-based, to peer-to-peer, and electric scooter providers. In total, French customers use 17 different carsharing providers of the aforementioned mobility services which on the one hand, increases competitiveness in the market, but on the other hand, increases the likelihood of consumers to switch from traditional car ownership to different forms of mobility.

In terms of service offerings, especially WeShare's direct competition is of interest. For instance, Free2Move offers three types of vehicles (Citroen C-Zero, Peugeot iOn, and Citroen AMI). In the

greater Parisian area, Free2Move offers more than 500 of these electric vehicles with full digital service bookable via the app and a promise for clean and fully charged vehicles on demand. Furthermore, Zity offers two different types of vehicles (Renault ZOE and Dacia Spring). Since March 2020, a fleet of 500, 100% electric Renault ZOE vehicles are offered in the metropolitan area of Paris. In September 2021, Zity enhanced their fleet by adding 250 units of the Dacia Spring. The latter is a 100% electric vehicle with four seats and a compact, simple, and robust design, with a driving range of 305km in urban areas (Zity, 2021). Similar to Free2Move, customers can book the cars via a free mobile app.

ShareNow competes in the market with three fully electrical models (Fiat 500e, smart EQ forfour, and smart EQ fortwo). The fully electrical vehicle fleet is not offered in every city in which ShareNow is present, underlining the importance of following the zero-emissions approach in Paris to be competitive.

2) Communication mix

The communication mix is concerned with media awareness and suitability as well as the advertising strategy. Consequently, data for instance regarding social media acceptance in Paris and France overall, the usage of public advertising space, and amount of free-floating carsharing TV commercials would have to be gathered in order to analyse this component. Given the limited access to this data and the depth of the analysis, this will not be further elaborated in this section; however, the subsequent marketing mix will entail a detailed analysis of appropriate channels and marketing communication.

3) Price mix

The price mix analyses the price level, price dispersion, and discount rates.

	Providers					
	Free2Move		Zity		ShareNow	
	Discovery	Loyalty	Standard	Premium	smart EQ fortwo	smartEQforfour
Minute	0,31 €	0,26 €	0,19 €	0,39 €	0,24 €	0,26 €
30minutes	9,30 €	7,80 €	5,70 €	11,70 €	7,20 €	7,80 €
1 hour	14,40 €	12,00 €	11,40 €	23,40 €	5,84 €	6,67 €
3 hours	21,60 €	18,00 €	34,20 €	70,20 €	17,52 €	20,01 €
4 hours	28,80 €	24,00 €	39,00 €	39,00 €	23,36 €	26,68 €
6 hours	43,20 €	36,00 €	49,00 €	49,00 €	35,04 €	40,02 €
8 hours	57,60 €	48,00 €	49,00 €	49,00 €	46,72 €	53,36 €
1 day	39,00 €	39,00 €	69,00 €	69,00 €	16,00 €	16,67 €
2 days	-	-	99,00 €	99,00 €	32,00 €	33,34 €
3 days	-	-	129,00 €	129,00 €	48,00 €	50,01 €
5 days	-	-	-	-	80,00 €	83,35 €
7 days	-	-	-	-	112,00 €	116,69 €

Table 21: Pricing overview of French free-floating carsharing providers (own representation)

The price mix above shows significant differences in the pricing structure and pricing level of the three free-floating providers. More precisely, for instance Free2Move offers different packages for new and more loyal customers. The loyalty program includes a subscription fee of 9,90€ but the minute and hourly rates are cheaper compared to the discovery program.

Zity does not have a registration fee and offers their customers standard or premium rates depending on the choice of the car. Additionally, a parking or stand by rate and Zity bundles are special offers for their customers. Moreover, Zity advertises with flat rates and the automatic switch to the cheapest rate done by the app. To ensure full transparency, all additional charges that may apply are listed on their website.

Lastly, ShareNow differentiates between a dynamic and fixed pricing service. They distinguish themselves in the sense that on top to the hourly and daily fares, a charge per driven kilometre applies. The first 200km for all vehicles are free, then for each additionally driven kilometre a price of 0,19 €/km applies for all vehicles equally. Moreover, on their website ShareNow explicitly states where to find free parking spaces among Paris and advertises their services without parking charges.

The price analysis shows differences in the pricing levels and the additional benefits customers benefit from. Aside from earning credits, booking service bundles, or becoming part of a loyalty program, each of the above free-floating service providers advertises their pricing being tailored to a customer's needs. Comparing the prices to understand the price level in the French carsharing industry leads to the following conclusions:

		Providers						
Prices		Free2Move		Zity		ShareNow		Average
		Discovery	Loyalty	Standard	Premium	EQ fortwo	smartEQforfour	
	Minute	0,31 €	0,26 €	0,19 €	0,39 €	0,24 €	0,26 €	0,28 €
	30minutes	9,30 €	7,80 €	5,70 €	11,70 €	7,20 €	7,80 €	
	1 hour	14,40 €	12,00 €	11,40 €	23,40 €	5,84 €	6,67 €	
	3 hours	21,60 €	18,00 €	34,20 €	70,20 €	17,52 €	20,01 €	
	4 hours	28,80 €	24,00 €	39,00 €	39,00 €	23,36 €	26,68 €	
	6 hours	43,20 €	36,00 €	49,00 €	49,00 €	35,04 €	40,02 €	
	8 hours	57,60 €	48,00 €	49,00 €	49,00 €	46,72 €	53,36 €	
	1 day	39,00 €	39,00 €	69,00 €	69,00 €	16,00 €	16,67 €	41,45 €
2 days	-	-	99,00 €	99,00 €	32,00 €	33,34 €		
3 days	-	-	129,00 €	129,00 €	48,00 €	50,01 €		
5 days	-	-	-	-	80,00 €	83,35 €		
7 days	-	-	-	-	112,00 €	116,69 €		

Table 22: Price comparison of the free-floating car-sharing providers in Paris (own presentation)

The average per minute price is 0,28 € while the average daily fee amounts to 41,45 €.

Opportunities: The price range and different pricing levels leave room for either a cost-leadership strategy requiring a high number of users or a high-price strategy. The latter would need to be complemented with superior service and quality to account for the prices. As such, additional features would need to be offered to the customers, individualizing the service offering, given that these add value to the defined set of customer needs.

Risk: The price sensitivity of the market coupled with a younger target group that tend to own less money, a high-price strategy entails a higher likelihood of failure. However, if WeShare decides to offer high-quality service that is valued by the customers, they could position themselves as high-price free-floating carsharing provider targeting a rather wealthy customer group. The cost leadership strategy might lead to the illusion of a lower brand value, as superior service is often associated with higher prices. Additionally, in case of a low user range, a low-price strategy diminished the profit potential and ultimately, market share.

4) Distribution mix

The app-centered approach that is usual for the carsharing segment leads to the fact that 96% of total revenue will be generated through online sales by 2025 (Statista, 2021j).

Opportunities: A high smartphone penetration rate of 83% and sufficient 5G network in the city center provide sufficient opportunities for WeShare to establish their app-centered business.

Risks: The app-centered approach potentially lowers customer loyalty as competitors advertise with zero registration fees and special first usage offers via mail and social media and thus, costs to switch providers are comparably low.

In addition to the price-centered approach, the distribution is also concerned with the car placement around the city. Zity and Free2Move both operate in the same area namely Paris, Boulogne-Billancourt, Issy-les-Moulineaux, Vanves, Sèvres and Meudon. Free2Move also offers their service in Saint Cloud

whereas Zity extended their service also to Clichy. ShareNow focuses their services more on the city centre of Paris, leaving outer Parisian areas out of their scope.

Environment

Opportunities: A supportive political environment and regulatory endeavours to increase the number of EVs in France are important opportunities a new market entrant can leverage and benefit from. Given a growing and stable market and a trend to adjust societal norms towards more sustainable alternatives, also in the carsharing segment, provides overall a supportive habitat for WeShare. With a growing number of charging stations not only in Paris, but also in Lyon and other metropolitan areas, the necessary infrastructure to launch a business in France is given. In addition, technological advancements in the mobility sector but also in the carsharing segment such as autonomous driving shape the future of the industry. As mentioned by Mr. Krohn (2021), a potentially self-driving car coming to the user would generate a stronger USP and customer offering.

Risks: Despite a notable trend to use carsharing as an alternative form of mobility, especially the possibility of using public transportation and bicycles are prominent examples to become more sustainable. These forms of mobility are also present in numerous climate debates and are primary factors used to promote a more sustainable future of transportation. An ongoing debate about carsharing vehicles and uncertainty to what extent these are truly progressive, hinders and limits the full potential of free-floating carsharing services. Every marketing decision depends on the individual starting position, the assessment of the market and the general environment, as well as the resources and core competencies of a respective company. Hence, a careful analysis of the marketing situation as well as the forecast of important key variables form the starting point of every strategic marketing planning (Meffert, Burmann and Kirchgeorg 2015). Based on the previous company and country analysis, the following section systematically analyses all external and internal factors relevant to the marketing planning of WeShare's entry into the French market. As such, the Parisian carsharing market itself and particularly the competitive environment will be analysed more thoroughly in the context of marketing

planning. This aims to understand the dynamics of the different key stakeholders in the market and their specific demand and supply conditions. Furthermore, the pricing level as well as particular consumer needs and attitudes will be of interest. Finally, a SWOT analysis is used to create a comprehensive basis for deriving a sound marketing plan.

Appendix P.2: Internal Factors

In this section, the current and future internal resource situation of WeShare is determined. For this purpose, the financial, organisational, physical, and technological resources will be summarised in company specific resource profile. In the next step, this profile is compared with the key requirements of the French market, so that strengths and weaknesses can be identified (Meffert, Burmann and Kirchgeorg 2015). In total, eight critical resources / performance parameters were identified, which are systematically analysed and evaluated in figure 8 below.

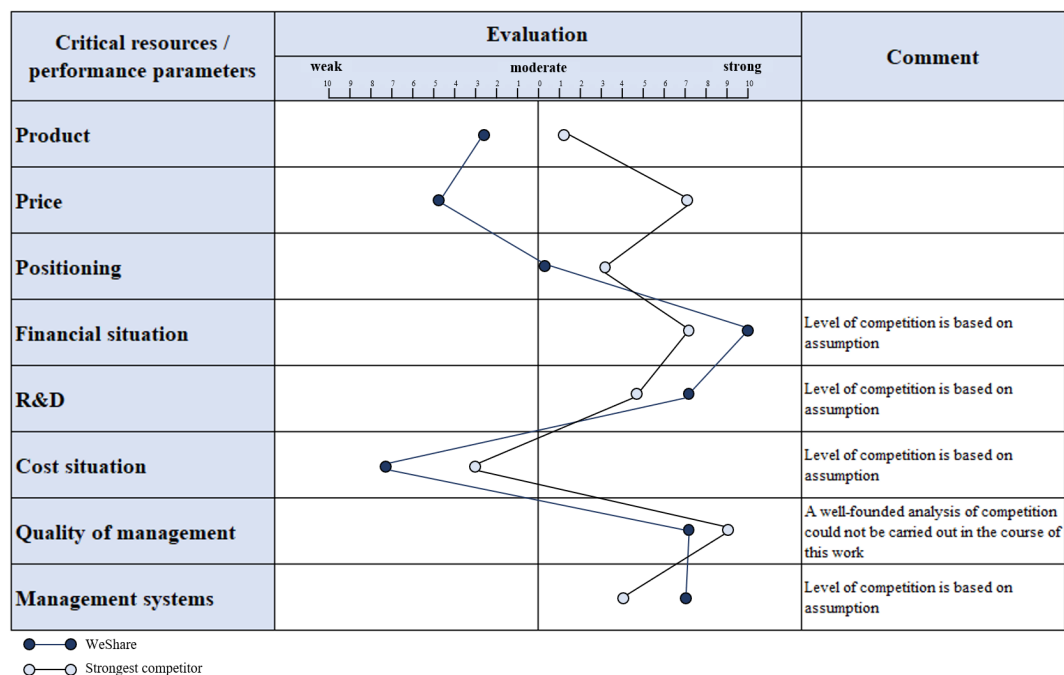


Figure 8: WeShare's strengths-weaknesses-profile (own presentation based on Hinterhuber 2004)

Product:

WeShare's service covers the standard model of a free-floating car sharing service. The service is app-based and fully digitally accessible (WeShare n.d.). By default, at least one car should be available

within a 400m² radius (IAA Mobility 2021). The car offer is limited to fully electric VW models, and therefore, consists of the e-Golf (compact class), the ID3 (compact class) and ID4 (SUV). Accordingly, the service is dependent on a well-developed charging network. Cars can be rented for up to three days and driven outside the operating areas during the rental period but must be parked / returned in the business area. In addition, WeShare offers a service for business (WeShare 2021).

The direct competition in France uses only all-electric compact cars with up to 3 car models. The number of cars varies between 500-800 vehicles on up to 4 city zones. Every provider offers all the standard features of a free-floating car-sharing service, including full rental processes via the app. All companies offer daily rentals up to 3 days and longer, trips outside the operating areas are generally allowed, and there are offers for business. ShareNow also offers the additional function of a car delivery service in the case of long-term rentals (ShareNow n.d.); (Zity n.d.); (free2move n.d.).

Overall, the established companies cover all of WeShare's service functions, which means that WeShare does not have a direct product/service advantage, but, taking into account ShareNow's delivery service, is slightly behind the competition.

Price:

Like its French competitors, WeShare offers two different payment models, the flexible standard rates and the monthly subscription model. Daily rentals of up to 3 days are charged with a daily flat rate (plus additional kilometer costs if applicable) in both models. Prices for download, registration and validation are not charged in any case (WeShare n.d.); (ShareNow n.d.); (Zity n.d.); (free2move n.d.).

Providers										
Prices		Free2Move		Zity		ShareNow		Average	WeShare	
		Discovery	Loyalty	Low	High	smart EQ fortwo	smartEQforfour		Standard rates	WeShare +
	Minute	0.31 €	0.26 €	0.19 €	0.39 €	0.24 €	0.26 €	0.28 €	0.29 €	0.19 €
	30minutes	9.30 €	7.80 €	5.70 €	11.70 €	7.20 €	7.80 €		€ 8.70	€ 5.70
	1 hour	14.40 €	12.00 €	11.40 €	23.40 €	5.84 €	6.67 €		€ 17.40	€ 11.40
	3 hours	21.60 €	18.00 €	34.20 €	70.20 €	17.52 €	20.01 €		€ 52.20	€ 34.20
	4 hours	28.80 €	24.00 €	39.00 €	39.00 €	23.36 €	26.68 €		€ 69.60	€ 45.60
	6 hours	43.20 €	36.00 €	49.00 €	49.00 €	35.04 €	40.02 €		€ 104.40	€ 68.40
	8 hours	57.60 €	48.00 €	49.00 €	49.00 €	46.72 €	53.36 €	€ 139.20	€ 91.20	
	1 day	39.00 €	39.00 €	69.00 €	69.00 €	16.00 €	16.67 €	41.45 €	58.00 €	48.00 €
2 days	-	-	99.00 €	99.00 €	32.00 €	33.34 €		-	-	
3 days	-	-	129.00 €	129.00 €	48.00 €	50.01 €		-	-	
5 days	-	-	-	-	80.00 €	83.35 €		-	-	
7 days	-	-	-	-	112.00 €	116.69 €		-	-	

Table 23: Pricings of free-floating car-sharing providers in Paris including WeShare (own presentation)

Figure compares the pricings of the competitors inside the French market with the ones of WeShare (compact class cars). WeShare standard rates per minute are slightly above the market average, but with WeShare+ significantly below the average. Looking at the daily rates, WeShare is above the competition with both rates, especially in comparison with ShareNow. Since standard rates account for 85% of WeShare's distribution and daily rates lie significantly above the competition, a price disadvantage can be attributed to WeShare (Krohn, 2021). Additionally, WeShare takes one starting fee per rent which is not common in France.

The marketing concept of WeShare results from the sustainability focus of the VW Group and UMI and is therefore, centrally structured as a 100% emission less service, which is the USP of WeShare. This is made possible by a fully electric car fleet powered by 100% green electricity (WeShare n.d.). The main metropolis of Paris, which has the largest market potential for WeShare, only allows fully electronic car sharing, which significantly weakens WeShare's USP (Nicholas and Bernard 2021). In principle, the provider can maintain its positioning, but the significance compared to the competition, especially compared to Zity, which also advertises 0 emissions, will decrease (Zity n.d.). Free2move on the other hand, places itself by means of extensive mobility offers while ShareNow focuses on low prices (ShareNow n.d.); (free2move n.d.).

Financial situation:

According to Mr. Krohn, WeShare is currently not profitable. However, WeShare (as a service of UMI) is backed financially by the VW Group. In the balance sheet of 2020, WeShare had 29.3 mn € of accounts receivables of the VW group. As an important part of the group's New Mobility ambitions UMI receives substantial funding for both existing operations and the provider's expansion plans. With the world's largest automotive group as a backer, the financial situation can therefore be considered strong. Within the scope of this work, it was not possible to sufficiently analyse the financial situation of the competition. However, as all direct competitors belong to well-known car manufacturers, it can be assumed that the overall financial situation is good.

R&D:

IT systems are developed independently and internally at UMI, which allows the company a comparably high flexibility and adaptability to market changes (Krohn, 2021). In addition, the company's location at VW's We Campus together with more than 900 experts is a positive factor that enables a high level of industry-specific knowledge, its access and transfer (Volkswagen Intranet, 2021). As part of the VW portfolio, WeShare continues to have good access to the latest car technology. WeShare can therefore focus on its own core competences, while the development of future technologies such as autonomous driving, which will reshape the car sharing market in the long term, is covered by the centralised expertise and the extensive resources of the VW Group's R&D. Therefore, the R&D level of WeShare can be considered very high. Nevertheless, the same can be assumed for the existing competition due to the listed affiliations to large car manufacturers.

Cost situation:

As confirmed in the first interview with WeShare, WeShare as a purely electric free-floating car-sharing service has a cost disadvantage compared to other providers. Furthermore, WeShare pays standard leasing rates for all vehicles, which means that no cost advantage can be identified here either. Since all

providers in France are electric, the cost disadvantage compared to fossil-fuelled competition is eliminated. Nevertheless, as WeShare only uses 100% green electricity, it can be assumed that no cost advantage can be generated in the electricity prices compared to other fully electric providers. For these reasons, the cost situation of WeShare can be classified as moderate to slightly disadvantageous.

Quality of management:

WeShare's management consists of experienced managers with a history in the automotive industry. The expertise is strengthened by the board of directors consisting of VW managers. Furthermore, WeShare Management follows a modern management style with flat hierarchies, agile working methods, and team structures that enable transparent information exchange. However, WeShare only operates in Germany, and therefore lacks international and market entry experience as well as experience in the French market. International experience is the result of expertise and the existing global network of the VW Group (Krohn 2021a). Therefore, the quality of the management can be classified as high. A well-founded analysis of competition could not be carried out in the course of this work. Nevertheless, particularly ShareNow's with its extensive international activities and its established business operations in the French market, it can be assumed that at least this player has very good quality.

Management systems:

Based on information from September 2021, WeShare is unprofitable and therefore dependent on funding from VW. Furthermore, the group is involved in important decisions through a board of directors, which could hinder the basically high agility and flexibility of UMI's decisions (Krohn, 2021). However, compared to existing competitors in the French market, which are all are organised under at least one large group. Nevertheless, Zity, and ShareNow are joint ventures of two companies, which in principle have an even higher dependency and reporting obligation.

Appendix Q.3: Identification of the Strategic Decision Field

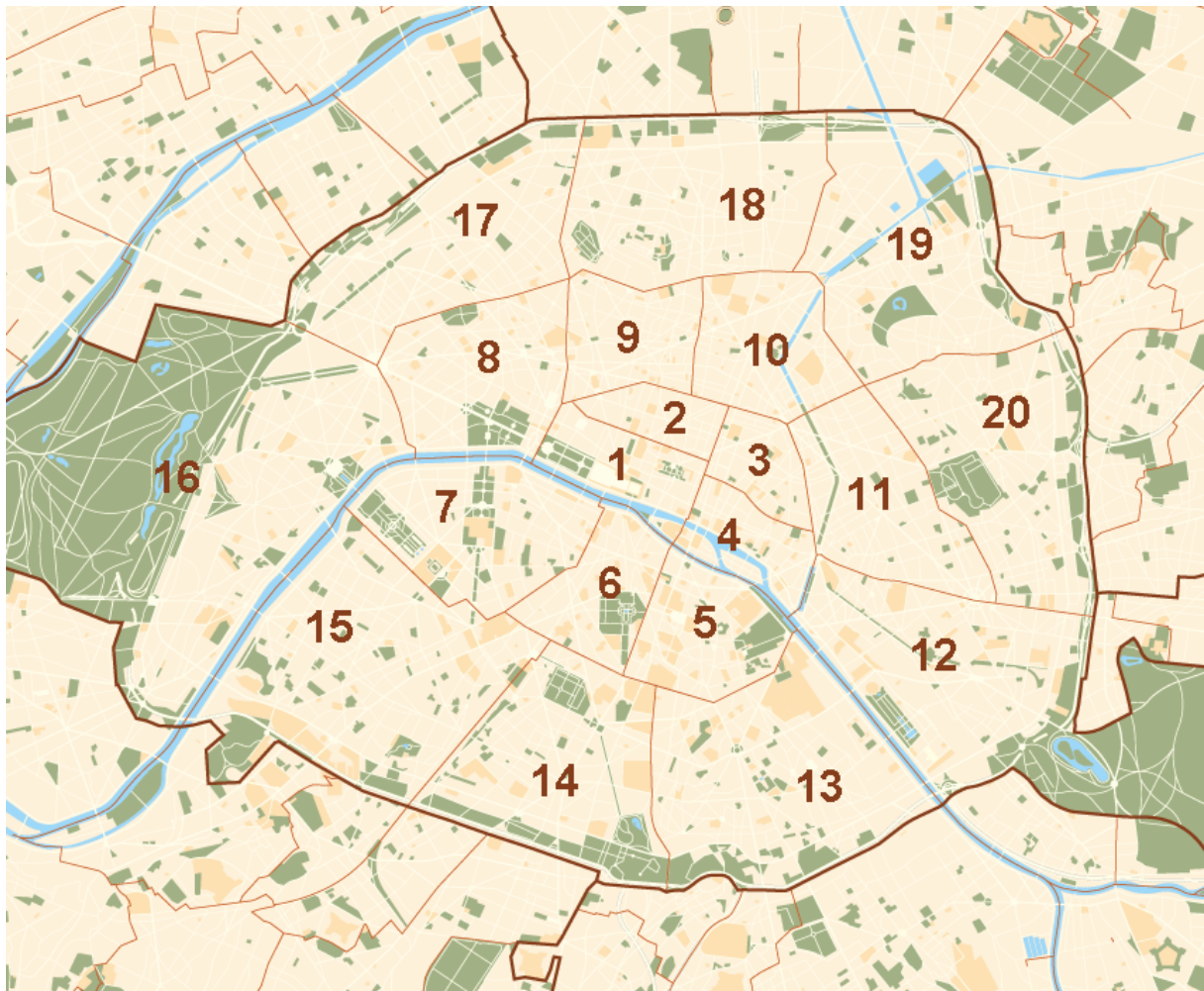
In this section, the strategic decision field will be narrowed down by considering the identified opportunities and risks together with the given resources. For this purpose, both dimensions are combined within a SWOT matrix (Strengths, Weaknesses, Opportunities, Threats). Thereby, realization potentials and differences will be identified, on the basis of which the subsequent strategic marketing objectives are formulated.

	Opportunities (<i>external, positive</i>)	Threats (<i>external, negative</i>)
Strengths (<i>internal, positive</i>)	- WeShare's internal R&D team from the WeCampus can bundle their expertise in researching future autonomous driving technologies to enhance their customer focus and offer state-of-the art services - The sustainable brand image and emission-free approach can be leveraged to meet the sustainability trends among consumers - The financial resources provided by the VW group can be used to realize the growing market potential by	- The flat hierarchy, transparent and quick internal processes and an international team coupled by an experienced management are vital strengths to manage different French consumer trends and needs - The compact ID.3 is a useful strength in WeShare's product portfolio and car fleet given the high congestion and car traffic in the market that in general, pose a threat for carsharing services in the Paris city centre

	leveraging synergy effects through first, a quick expansion in other cities and districts and second, a large car fleet to enable an extensive market penetration - WeShare's ID.4 offering can be advantageous for long-term mobility seeking users who need larger cars for day or weekend trips	
Weaknesses <i>(internal, negative)</i>	- WeShare's missing expansion and international experience poses a weakness but is justified with France's significant market potential with high market growth - WeShare's pricing strategy is characterized by above average prices which can be a weakness given the high prices sensitivity, however, offering the services in wealthy districts could be an	- The lack of expansion experience can be a serious weakness in the competitive market landscape of the French free-floating carsharing segment - Similar to the lack of experience, lacking a USP in the French market can be a threat given the established competition and price sensitivity in the market - WeShare's disadvantage in the pricing and cost structure might jeopardize their profits and brand establishment given the high price

	opportunity to be present in these districts - The lack of expansion experience can be compensated by the opportunity to be a (fast) follower strategy and avoiding mistakes of first movers and direct competitors	sensitivity and low loyalty of customers - The brand preference towards French car brands poses a threat for German brands like WeShare - Significantly favourable daily-rent prices from competition pose a risk to WeShare's competitiveness in this area
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Appendix R: Overview of Arrondissements in Paris



1. arrondissement - Paris 1 - Louvre
2. arrondissement - Paris 2 - Bourse
3. arrondissement - Paris 3 - Temple
4. arrondissement - Paris 4 - Hôtel de Ville
5. arrondissement - Paris 5 - Panthéon
6. arrondissement - Paris 6 - Luxembourg
7. arrondissement - Paris 7 - Palais Bourbon
8. arrondissement - Paris 8 - Elysée
9. arrondissement - Paris 9 - Opéra

10. arrondissement - Paris 10 - Enclos Saint Laurent
11. arrondissement - Paris 11 - Popincourt
12. arrondissement - Paris 12 - Reuilly
13. arrondissement - Paris 13 - Gobelins
14. arrondissement - Paris 14 - Observatoire
15. arrondissement - Paris 15 - Vaugirard
16. arrondissement - Paris 16 - Passy
17. arrondissement - Paris 17 - Batignolles Monceau
18. arrondissement - Paris 18 - Buttes Montmartre
19. arrondissement - Paris 19 - Buttes Chaumont
20. arrondissement - Paris 20 – Ménilmontant

Appendix S: Paris' arrondissements in terms of population, population density, and income level

Population, population density, and income level of Paris 2019, by district						
Population, population density, and income level of Paris in 2019, by arrondissement						
Arrondissements number	Arrondissements name	Population in thousand	Area (in thousand km ²)	Population density in thousand	Average hourly net salary (in EUR)	
1	Louvre	16.338	16.338	1,830	8.928	28,8
2	Bourse	20.410	20.410	0,990	20.616	27,9
3	Temple	35.469	35.469	1,170	30.315	28,4
4	Hôtel-de-Ville	27.795	27.795	1,600	17.372	28,0
5	Panthéon	59.947	59.947	2,540	23.601	28,6
6	Luxembourg	41.831	41.831	2,150	19.456	37,4
7	Palais-Bourbon	53.415	53.415	4,090	13.060	42,8
8	Elysée	37.053	37.053	3,880	9.550	38,4
9	Opéra	60.235	60.235	2,180	27.631	29,9
10	Entrepôt	92.660	92.660	2,890	32.062	22,9
11	Popincourt	148.339	148.339	3,670	40.419	22,6
12	Reuilly	142.661	142.661	6,380	22.361	21,8
13	Gobelins	183.117	183.117	7,150	25.611	19,4
14	Observatoire	138.218	138.218	5,620	24.594	22,7
15	Vaugirard	235.469	235.469	8,500	27.702	25,8
16	Passy	167.706	167.706	7,850	21.364	41,3
17	Batignolles-Monceau	169.375	169.375	5,670	29.872	28,9
18	Butte-Montmartre	196.143	196.143	6,010	32.636	20,1
19	Buttes-Chaumont	187.760	187.760	6,790	27.652	17,5
20	Ménilmontant	196.884	196.884	5,980	32.924	18,3

Appendix T: Financial Forecast France

Appendix T.1: P&L Statement until Year Five

Inputs	Initial Variables	Variables Forecasting				
		Y1	Y2	Y3	Y4	Y5
<u>Assumptions</u>						
Average Trip (min)	30	22	22	22	22	22
Average number of trips per car/day	5.75	5.18	5.62	5.70	5.78	5.86
Number of Cars	850	850	1750	1750	1750	1750
Total customers				130,116		
Customer per Car	60,000	57,429	128,374	74	131,881	133,670
	75	68	73		75	76
<u>Inputs Revenue</u>						
Amount WeShare+ Users	15%	15%	15%	15%	15%	15%
Basis Customers				110,599		
Plus Customers	51,000	48,815	109,118	19,517	112,099	113,620
	9,000	8,614	19,256		19,782	20,051
Basis price per minute	€ 0.29	€ 0.29	€ 0.29	€ 0.29	€ 0.29	€ 0.29
Plus price per minute	€ 0.19	€ 0.19	€ 0.19	€ 0.19	€ 0.19	€ 0.19
Basis price per long trip	€ 59.00	€ 59.00	€ 59.00	€ 59.00	€ 59.00	€ 59.00
Plus price per long trip	€ 48.00	€ 48.00	€ 48.00	€ 48.00	€ 48.00	€ 48.00
Monthly WeShare+ Subscription costs	€ 9.90	€ 9.90	€ 9.90	€ 9.90	€ 9.90	€ 9.90
Fees for administration	€ 20.00	€ 20.00	€ 20.00	€ 20.00	€ 20.00	€ 20.00
Basis fee for trip	€ 1.00	€ 1.00	€ 1.00	€ 1.00	€ 1.00	€ 1.00
<u>Inputs Cars/ Trips</u>						
Total Cars	850	850	1,750	1,750	1,750	1,750
% Longtrips	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
% Shorttrips	97.50%	97.50%	97.50%	97.50%	97.50%	97.50%
Average driving speed	15	15	15	15	15	15
Average range ID.3	425	425	425	425	425	425
Average consumption	0.14	0.14	0.14	0.14	0.14	0.14
<u>Cost Inputs</u>						
No. Employees	10	10	15	15	15	15
Annual avg. employees salary	€ 60,000.00	€ 60,000.00	€ 60,000.00	€ 60,000.00	€ 60,000.00	€ 60,000.00
Annual rent expenses	€ 60,000.00	€ 60,000.00	€ 90,000.00	€ 90,000.00	€ 90,000.00	€ 90,000.00
Annual Leasing ID3	€ 3,600.00	€ 3,600.00	€ 3,600.00	€ 3,600.00	€ 3,600.00	€ 3,600.00
Annual Leasing ID4	€ 3,624.00	€ 3,624.00	€ 3,624.00	€ 3,624.00	€ 3,624.00	€ 3,624.00
Annual running costs	€ 1,680.00	€ 1,680.00	€ 1,680.00	€ 1,680.00	€ 1,680.00	€ 1,680.00

Marketing Costs	30%	€	€	€	9,681,684.34	€	€
		6,273,182.77	9,552,065.43			9,813,014.64	9,946,130.73
Total Km driven	12,316,500	7,925,202	17,715,612		17,956,008	18,199,578	18,446,460
Total charging processes	48,300	31,079	69,473		70,416	71,371	72,339
Charging Price per KWh	0.299	€	€	€	0.30	€	€
		0.30	0.30			0.30	0.30
Charging fees	€	€	€	€	751,638.49	€	€
	515,568.69	331,748.96	741,575.52			761,834.34	772,168.82
Charging allocation	€	€	€	€	704,157.18	€	€
	483,000.00	310,792.24	694,729.88			713,708.94	723,390.59
Car area allocation	€	€	€	€	3,591,201.60	€	€
	1,759,500.0	1,585,040.40	3,543,122.40			3,639,915.60	3,689,292.00
	0						
Cleaning Fees	€	€	€	€	4,189,735.20	€	€
	2,052,750.0	1,849,213.80	4,133,642.80			4,246,568.20	4,304,174.00
	0						
Depreciation for Software	€	€	€	€	12,000.00	€	€
	12,000.00	12,000.00	12,000.00			12,000.00	12,000.00
Server Costs	€	€	€	€	12,000	€	€
	12,000	12,000	12,000			12,000	12,000

Sales Calculation

	Y1	Y2	Y3	Y4	Y5
Revenue Stream #1: WeShare+ Monthly Fees					
No. WeShare+ users					
	8,614	19,256	19,517	19,782	20,051
Annual WeShare+ subscription costs	€	€	€	€	€
	118.80	118.80	118.80	118.80	118.80
Total Revenue	€	€	€	€	€
	1,023,384.78	2,287,624.68	2,318,667.12	2,350,119.42	2,381,999.40
	Y1	Y2	Y3	Y4	Y5

Revenue Stream #2: Car Sharing Service, trip based approach

Total cars	850	1,750	1,750	1,750	1,750
Total trips/ day					
	4,403	9,842	9,976	10,111	10,248
Basis fee for activation	1	1	1	1	1
Amount of short trips					
	4,293	9,596	9,726	9,858	9,992
Amount of long trips					
	110	246	249	253	256
Basis short trips					
	3,649	8,157	8,267	8,379	8,493
Plus short trips					
	644	1,439	1,459	1,479	1,499
Basis long trips					
	94	209	212	215	218
Plus long trips					
	17	37	37	38	38
Daily short trip revenue	€	€	€	€	€
	30,264.37	67,651.49	68,569.51	69,499.64	70,442.42
Daily long trip revenue	€	€	€	€	€
	6,312.64	14,110.98	14,302.46	14,496.47	14,693.12
Total daily revenue	€	€	€	€	€
	36,577.01	81,762.47	82,871.96	83,996.11	85,135.54
Total annual revenue	€	€	€	€	€
	13,167,723.12	29,434,489.34	29,833,907.29	30,238,598.85	30,648,793.29
	Y1	Y2	Y3	Y4	Y5

Revenue Stream #3: Fees

Total trips/ day					
	4,403	9,842	9,976	10,111	10,248

Accidents/ trip	5%	5%	5%	5%	5%
Chargeable accidents/ day	220	492	499	506	512
Daily revenue fees	€	€	€	€	€
	4,402.89	9,842.01	9,975.56	10,110.88	10,248.03
Annual revenue fees	€	€	€	€	€
	52,834.68	118,104.08	119,706.72	121,330.52	122,976.40
Total Revenue	€	€	€	€	€
	14,243,942.58	31,840,218.10	32,272,281.13	32,710,048.79	33,153,769.09

Cost Calculation

	Y1	Y2	Y3	Y4	Y5
COGS					
Charging fees	€	€	€	€	€
	331,748.96	741,575.52	751,638.49	761,834.34	772,168.82
Parking fees	-	-	-	-	-
Annual car insurance	€	€	€	€	€
	1,428,000.00	2,940,000.00	2,940,000.00	2,940,000.00	2,940,000.00
Annual Leasing ID3	€	€	€	€	€
	3,060,000.00	6,300,000.00	6,300,000.00	6,300,000.00	6,300,000.00
Annual Leasing ID4	-	-	-	-	-
Charging allocation	€	€	€	€	€
	310,792.24	694,729.88	704,157.18	713,708.94	723,390.59
Car area allocation	€	€	€	€	€
	1,585,040.40	3,543,122.40	3,591,201.60	3,639,915.60	3,689,292.00
Cleaning Fees	€	€	€	€	€
	1,849,213.80	4,133,642.80	4,189,735.20	4,246,568.20	4,304,174.00
Server Costs	€	€	€	€	€
	12,000	12,000	12,000	12,000	12,000
Total daily COGS	€	€	€	€	€
	23,791.10	50,980.75	51,324.26	51,672.30	52,025.07
Total annual COGS	€	€	€	€	€
	8,564,795.39	18,353,070.60	18,476,732.47	18,602,027.08	18,729,025.40

SG&A

Salaries	€	€	€	€	€
	600,000.00	900,000.00	900,000.00	900,000.00	900,000.00
Annual Rent Expenses	€	€	€	€	€
	60,000.00	90,000.00	90,000.00	90,000.00	90,000.00
Marketing Expenses	€	€	€	€	€
	6,273,182.77	9,552,065.43	9,681,684.34	9,813,014.64	9,946,130.73
Depreciation for Software	€	€	€	€	€
	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Total daily SG&A	€	€	€	€	€
	19,292.17	29,316.85	29,676.90	30,041.71	30,411.47
Total annual SG&A	€	€	€	€	€
	6,945,182.77	10,554,065.43	10,683,684.34	10,815,014.64	10,948,130.73
Total annual SG&A (without Mkt. and Dep.)	€	€	€	€	€
	660,000.00	990,000.00	990,000.00	990,000.00	990,000.00

Profit	Y1	Y2	Y3	Y4	Y5
EBITDA	€ (1,266,035.58)	€ 2,933,082.07	€ 3,111,864.32	€ 3,293,007.07	€ 3,476,612.96
EBT	€ (1,266,035.58)	€ 2,933,082.07	€ 3,111,864.32	€ 3,293,007.07	€ 3,476,612.96
Tax rate	26.50%	26.50%	26.50%	26.50%	26.50%
Net Profit	€ (930,536.15)	€ 2,155,815.32	€ 2,287,220.28	€ 2,420,360.20	€ 2,555,310.52

Appendix T.2: WACC Calculation

WACC Calculation

Capital Structure

Debt to Total Capitalization 22,21%

Equity to Total Capitalization 74,05%

Debt / Equity 29,99%

Cost of Equity

Risk Free Rate 1,20%

Equity Risk Premium 10,00%

Levered Beta 0,96

Cost of Equity 10,80%

Cost of Debt

Cost of Debt 8,00%

Tax Rate 26,50%

After Tax Cost of Debt 5,88%

WACC 6,75%

Comparable Companies Unlevered Beta

Company	Levered Beta	Debt	Equity	Debt/Equity	Tax Rate	Unlevered Beta
Lyft	1,9	3002801	1676163	179,15%	21%	0,79
UBER	1,25	20285000	16889000	120,11%	21%	0,64
DIDI	1,14	33560914	113704481	29,52%	25%	0,93
Median	1,25			120,11%		0,79

Appendix T.3: Cash Flows Estimations

CASH FLOWS						
Year	0	1	2	3	4	5
Revenues	14,243,942.58	31,840,218.10	32,272,281.13	32,710,048.79	33,153,769.09	
	€	€	€	€	€	€
<i>Number of Cars</i>	850.00	1750.00	1750.00	1750.00	1750.00	1750.00
<i>Revenue per car</i>	16,757.58 €	18,194.41 €	18,441.30 €	18,691.46 €	18,945.01 €	
Operating Costs	2,002,263.00	15,497,978.17	28,895,136.03	29,148,416.81	29,405,041.71	29,665,156.13
	€	€	€	€	€	€
COGS	8,564,795.39	18,353,070.60	18,476,732.47	18,602,027.08	18,729,025.40	
	€	€	€	€	€	€
SG&A	6,933,182.77	10,542,065.43	10,671,684.34	10,803,014.64	10,936,130.73	
	€	€	€	€	€	€
Sunk costs	2,002,263.00					
	€					
EBITDA	-	-1,254,035.58	2,945,082.07	3,123,864.32	3,305,007.07	3,488,612.96
	2,002,263.00	€	€	€	€	€
	€					
Depreciation		12,000.00 €	12,000.00 €	12,000.00 €	12,000.00 €	12,000.00 €
EBIT	-	-1,266,035.58	2,933,082.07	3,111,864.32	3,293,007.07	3,476,612.96
	2,002,263.00	€	€	€	€	€
	€					
Taxes	-530,599.70	-335,499.43 €	777,266.75 €	824,644.05 €	872,646.87 €	921,302.43 €
	€					
NOPLAT ("Net Income")	-	-930,536.15 €	2,155,815.32	2,287,220.28	2,420,360.20	2,555,310.52
	1,471,663.31		€	€	€	€
	€					
OPERATIONAL CASH FLOW	-	-918,536.15 €	2,167,815.32	2,299,220.28	2,432,360.20	2,567,310.52
	1,471,663.31		€	€	€	€
	€					
<i>Investment in NWC</i>	1,113,842.88	879,813.78 €	21,603.15 €	21,888.38 €	22,186.02 €	-1,657,688.45
	€					€
<i>financing insurance costs</i>	119,000.00 €	119,000.00 €	119,000.00 €	119,000.00 €	119,000.00 €	119,000.00 €
<i>financing charging costs</i>	27,645.75 €	27,645.75 €	27,645.75 €	27,645.75 €	27,645.75 €	27,645.75 €
<i>Cash reserves</i>	712,197.13 €	1,592,010.90	1,613,614.06	1,635,502.44	1,657,688.45	0.00 €
		€	€	€	€	
<i>financing leasing costs</i>	255,000.00 €	255,000.00 €	255,000.00 €	255,000.00 €	255,000.00 €	255,000.00 €
INVESTMENT IN NET WORKING CAPITAL	-	-879,813.78 €	-21,603.15 €	-21,888.38 €	-22,186.02 €	1,657,688.45
	1,113,842.88					€
	€					
INVESTMENT CASH FLOW	-	-879,813.78 €	-21,603.15 €	-21,888.38 €	-22,186.02 €	1,657,688.45
	1,113,842.88					€
	€					
FREE CASH FLOW	-2,585.5	-1,798.3	2,146.2	2,277.3	2,410.2	4,225.0

Appendix T.4: Investments in year 1 and 2

