

AUTOMOTIVE

BMW, Daimler back out of car-sharing service in key markets

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Share Now ran out of gas in North America as well as in London, Brussels and Florence. Image credit: Share Now

By STAFF REPORTS

Lackluster interest in Share Now, a joint venture of Daimler and BMW Group, has convinced the automakers to withdraw from the North American market and simultaneously cease operations in London, Brussels and Florence.

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The pullback, effective Feb. 29, will come a year after the two German rivals joined forces to offer mobile app-based car rental services charging by the minute that let customers park anywhere in a designated metro area within a city where it operated. Share Now was a merger of BMW's DriveNow and Daimler's Car2Go services.

"The decision to close North America was made based on two extremely complicated realities," Share Now said in a statement. "The first being the volatile state of the global mobility landscape, and the second being the rising infrastructure complexities facing North American transportation today such as a rapidly evolving competitive mobility landscape, the lack of necessary infrastructure to support new technology (including electric vehicle car share) and rising operating costs.

"Further, despite our best efforts and investments in Brussels, London and Florence over the years, we are unable to continue operations in a manner that's sustainable for our business due to low adoption rates," the company said.

Stalled

BMW and Daimler put aside rivalries in February and announced plans to jointly invest \$1.1 billion in five businesses including **Share Now**. But higher operating costs and lack of customers forced their decision to shrink Share Now's global footprint.

Both BMW and Daimler claim 90 million customers for its mobility services that cover ride hailing and charging apps, they did not succeed in wringing profits out of car-sharing services.

This market has challenged automakers.

General Motors Co. earlier this year withdrew its Maven car-share offering from several markets. Ford Motor Co. went further and shuttered its Chariot van-hailing app. The company also sold its car subscription business to Fair.

While DriveNow and Car2Go had already walked out of 18 markets, Share Now will continue operating in markets where BMW and Daimler see revenue potential.

SHARE NOW HAS attracted roughly 1 million new customers since its founding this year.

"Moving forward, Share Now will focus on the remaining 18 European cities," the company stated.

"We, along with our shareholders, believe these markets show the clearest potential for profitable growth and mobility innovation.

"We want to extend a heartfelt thank you to every employee, member, business partner and city stakeholder who have supported us throughout the years in these markets. We deeply regret the inconvenience this decision causes."

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