How Bilkollektivet tripled its user numbers
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Norway's most successful carsharer: Meet Bilkollektivet

As the only carsharing provider in Norway, Bilkollektivet has been operating profitably for years.

Crucial to this is that both the provider and the offering address the customers’ needs – and always prioritize them.
In 1995, a group of friends in Oslo decided to share a car instead of buying one each. This was the birth of Bilkollektivet (in English: car collective), the first Norwegian carsharing provider.

Over the past 28 years, Bilkollektivet has evolved from a volunteer-based project into a modern organization. Nevertheless, the values on which the project has been based since day one have not been lost: At the core of the provider is the desire to offer a sustainable alternative to private car ownership in order to protect climate and environment.
Bilkollektivet today

To this day, Bilkollektivet is run as a non-profit cooperative and has developed into Oslo’s largest and only profitable carsharing provider. Cooperative means that customers have the opportunity to pay a membership fee and thus become co-owners.

As a co-owner, you have the right to vote at the annual general meeting and can influence the future direction of the company. Each member has only one vote, which means that Bilkollektivet remains independent of the impact of individual owners or investors. Profits generated are reinvested in the organization and its services and are not distributed to co-owners.

As a cooperative, the members and thus the customers are automatically at the center of Bilkollektivet's attention. But even regardless of its organizational form, the provider is characterized by its highly user-centric approach.
Bilkollektivet puts a lot of emphasis on sustainability and eco-friendliness. Why is that?

In this day and age, this responsibility cannot be overlooked. The environmental effect is one of the core components that make carsharing an attractive and future-proof mobility solution. As a sharing provider, you are not only striving for your own success but also for a more sustainable mobility future.

Would you say that this thinking as well as your non-profit approach also help you succeed economically?

I think it's a part of it, yes. When the cars, the apps, the prices and the availability are almost the same among competitors, what you're left with as a driver is choosing the operator that you feel affectionate towards.
From one-size-fits-all to needs-oriented subscription models

Until the beginning of 2022, Bilkollektivet served all users with the same offer. This worked well as long as there was little significant competition on the market in Oslo. When that changed, Bilkollektivet had to rethink its own strategy in order to remain competitive.

It became clear that the "one-fits-all" model was actually only suitable for a niche of users with a medium frequency of use. Everyone else used it rather due to a lack of alternatives.
So Bilkollektivet analyzed the usage patterns of customers from the past 12 months. The provider had access to this data via the MOQO platform. From the data, it formed three groups: low, medium and high frequency of use.

These groups formed the basis for subsequent surveys, studies with focus groups and ultimately the newly formed subscription model.
The result: Users choose from three subscription options

<table>
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<tr>
<th>Subscription</th>
<th>Description</th>
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| **Click & Drive** | No monthly basic fee  
| | Regular usage tariffs  
| | 35 NOK (= ca. 3 €) starting fee per trip  
| | Reserve vehicles 10 days in advance  
| | Use vehicles for a maximum of 2 weeks  
| | In the event of damage, deductible of NOK 4000 (= ca. 335 €) |
| **Privat** | Monthly basic fee 125 NOK (= ca. 10 €)  
| | 5% discount on time-based tariffs  
| | No starting fee  
| | Reserve vehicles 3 months in advance  
| | Use vehicles for a maximum of 2 months  
| | No deductible in the event of damage |
| **Privat +** | Monthly basic fee 1250 NOK (= ca. 100 €)  
| | 50% discount on time-based tariffs  
| | No starting fee  
| | Reserve vehicles 5 months in advance  
| | Use vehicles for a maximum of 2 months  
| | No deductible in the event of damage |
Which subscription is the right one?

Bilkollektivet provides users with three rules of thumb:

In addition, it also plays a role how important insurance and deductibles are to customers in the event of damage and whether they want to reserve the car early for a specific weekend or vacation.

The „Private +“ subscription is ideal for those who need a car two weekends a month or two evenings a week.

The „Private“ subscription is ideal for those who need a car for one weekend or three shorter trips within a month.

For those who need a car less frequently, the „Click & Drive“ subscription is the right choice.

A good 50% of new customers now opt for one of the Private or Private + subscriptions.
“The most funny part is that while our most frequent users used to be the least satisfied and most prone to churn, these are now the most satisfied and loyal members we have.”

Morten Munch-Olsen, CEO at Bilkollektivet
Subscriptions as a USP

Bilkollektivet is currently the only car sharer in Oslo to offer various subscriptions, thus gaining a unique selling proposition.

The figures make it clear that Bilkollektivet has hit the right nerve with its decision to offer various subscription models.
Why are different subscription options beneficial?

Increase your market coverage by creating different offers for each customer segment.
The right tariff is the gateway to your target group

The pricing is not only based on current market prices and the required return on investment (ROI), but also on what a target group is willing to pay. In addition, each target group has needs or even expectations of additional services such as insurance cover or advance booking. When preparing your offer, you take all these points into account.
One target group is not enough

In order to achieve profitable market coverage, you generally have to serve different target groups. This also means that the responses of different customer segments to the aspects described above (willingness to pay, expectations of additional services) will very likely differ.

Then each selected target group needs to be given its own offer.
The greatest effect results from the interplay

As with Bilkollektivet, the individual offers should **build on and complement each other**. Ultimately, the greatest effect comes from the interplay of the individual subscriptions. Only in their entirety do they help you to address different user types equally.
Building subscription models strategically

Infrequent vs. frequent drivers

Bilkollektivet structures its own subscription group based on the customers’ usage intensity. This is the most popular approach across all industries.

People who plan to use your service rather sporadically are generally less willing to pay monthly basic fees. Instead, you will charge higher usage costs here.

For those who want to use your service very regularly, you can offer low usage costs and possibly additional services such as insurance or free mileage in return for a monthly basic fee.
Tip

Most users opt for the middle option. This is based on the approach “don’t miss anything, but don’t need everything”.

Accordingly, also create a medium offer for „occasional drivers“. According to general experience, this will be the most frequently selected offer.

If you currently have two offers and want more users to choose the higher one, create an even higher one – so that users will choose the middle offer in the future.
Building subscription models strategically

Further examples

In addition to the “infrequent vs. frequent driver” approach, there are other ways of structuring a subscription group.

<table>
<thead>
<tr>
<th>Commuters vs. weekend use</th>
<th>Subscriptions for students, retirees, etc.</th>
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<tbody>
<tr>
<td>Time-based subscriptions encourage usage at less popular times. For example, create a subscription for weekend use only at attractive rates.</td>
<td>With discounted subscriptions for students or pensioners, you recognize their lower economic power – and retain their loyalty at the same time.</td>
</tr>
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<th>Subscriptions for different vehicle types</th>
<th>Offers for exclusive groups</th>
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<tr>
<td>If you offer several vehicle types, you can create a subscription model based on the vehicle types included. For example, one subscription for both vehicle types, one for cars only and one for bikes only.</td>
<td>Create a special subscription for members of certain organizations, e.g. for employees of a company, customers of municipal utilities, tourists, hotel guests or residents of a housing estate.</td>
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Combine joining a subscription with a discount code for the first ride. This motivates people and helps them overcome the hurdle of trying something new.
Feature: Subscription group

With the "subscription groups" feature on the MOQO platform, users see a collection of different offers and can easily switch between them.
Feature Grouping offers

For different subscriptions to work together, they must be visible to users at a glance.

To do this, group them together using the subscription groups feature. This way, they appear together in an overview from which new users can choose an option when registering.
How to set up subscription groups

1. Identify the main target groups that will use your vehicles

2. Create a “team” on the MOQO platform with rate and booking settings for each of these groups

3. Combine all created teams in a “subscription group”

4. Promote this new subscription group to attract new customers
Feature details

Existing users can easily switch between subscriptions. As the provider, you determine whether users are automatically removed from the previous subscription when switching or whether dual membership is possible.

You can charge registration fees once or for each subscription change.

Be aware of the risk that renewed registration fees could prevent users from switching.

Designing subscription groups

Creating a subscription group is not a one-off job, but requires regular iterations.

Firstly, because the market is constantly changing and secondly, because you get to know your users better and better.

Therefore, you can always

• add
• remove
• adjust

offers.
Advantages of subscription groups at a glance

For providers
- Diversification of customer groups served
- Increased utilization
- Stronger customer loyalty and customer satisfaction
- Regular income from basic fees

For customers
- Transparent tariffs and subscriptions
- Attractive offers for every usage intensity
- Quick subscription change possible
Good to know about the feature Subscription groups

- Available from PRO partnership
- Users can easily change their subscription
- Registration fee once or per team change
- Tracking via your MOQO portal
- Detailed instructions in the Academy >
Conclusion: Bring more users into subscription models

Advantages in terms of user loyalty and satisfaction

Bilkollektivet shows how providers can meet different user groups where they are in their usage behavior. Users opt for an offer more quickly if it is tailored to their needs and willingness to pay. And: They are more satisfied with it.

Economic benefits

You gain economic stability when more customers switch to subscriptions with monthly basic fees. Basic fees increase your „Monthly Recurring Revenue“ (MRR), which gives you more planning security than short-term sales.

Bilkollektivet reports how they have become less dependent on fluctuating booking behavior due to the season or weather.
“My advice to carsharing operators: Focus on the recurring customers and get them into a subscription model.”

Morten Munch-Olsen, CEO at Bilkollektivet
MOQO connects the participating players of regional and national sharing offers on a mobility platform. Drivers gain access to individual offers via the sharing app. Providers serve their target groups and design their business models via the operator portal.

moqo.de →