

## **RENTAL OFFERS A FLEXIBLE ALTERNATIVE TO CAR OWNERSHIP**

**Sam Sterry, Director of SME, Europcar UK Group highlights the shift in gear from ownership to rental**

In the era of Spotify and Netflix, today's millennials are less bothered about 'ownership' and more comfortable with being a 'user' along with the flexibility that brings. As a result, consumer car buying habits have shifted away from outright ownership. Take, for example, car ownership. Figures from the Finance and Leasing Association (FLA), report 90% of private buyers used personal contract plans – PCPs – to make their car purchases last year and it is estimated the total borrowing for this year will be close to £40 billion. The 'sharing economy' is big business and it is set to grow. And rental is no exception. Vehicle hire is an eminently viable alternative to ownership or the traditional company car model for small businesses.

The world is more uncertain than it once seemed, with events such as Brexit and the snap general election looming, leaving many businesses worried about the potential impact on interest rates and exchange rates. In light of this uncertainty, fleet managers and small business owners may feel wary of the long-term commitment car ownership presents. Vehicle rental bridges the gap.

The benefits of rental are clear to millennials who are known for being more transient in their approach to ownership. They don't want to invest in a depreciating asset, and are prepared to share possessions and services particularly when it comes to mobility, whether it's through car-sharing, leasing or rental. All options provide flexibility and a more economical alternative, eliminating the need to commit to years paying off a car, after stumping up a lump sum on a finance deal.

And rental offers businesses the flexibility to change the vehicle type without any financial penalty, if the company's vehicle requirements change. This level of flexibility means customers can hire at a fixed rate from three months, up to three years, with no early exit penalties. In addition, cars in the Europcar fleet come 'Business Ready' providing company car drivers with Bluetooth and sat nav.

Today's motorists don't want to plan too far ahead – yet they would like the same flexibility they experience when it comes to 'owning' a mobile phone or consuming media

like music and TV. And whilst car ownership isn't being resigned to history just yet, there is room for a flexible alternative with midterm rental available to bridge the gap.