

Zipcar Case Questions.
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Question 1 – (Maximum one half page typed, single spaced, 12 point font, one inch margins)

Using only the information in the case study, evaluate the market potential of the Zipcar venture.

- A) How large is the potential and is it really big enough to attract venture capital money?
- B) Evaluate the industry situation and speculate about its overall attractiveness.

Question 2 - (Maximum one and one half pages typed, single spaced, 12 point font, one inch margins plus one spreadsheet appendix)

Examine the business model in more depth. Think through the revenues and the costs from the per car economics perspective and the per subscriber economics perspective. Dig through the numbers and try and figure out **what the major cost drivers are**, and **what the major revenue drivers are**, and **where, exactly profits will or will not come from**. Answer the following:

- What is the relationship between the number of cars and the number of members?
- What matters –hours billed or hours driven or both, and why the difference?
- What are the most important drivers of the economic performance of the business?
- Look at the user patterns and tendencies of their service noted in the case study. Do these user patterns suggest that anything is wrong with the business model, or do they suggest that it is on the right track if it just continues and grows? Explain the usage patterns that you see and explain your answer.
- At the time of the case, how is Zipcar doing compared with its forecast business model? How about now, after the IPO 10 years later?