

THE BUSINESS OF... MOBILITY

How organisations move their employees and goods around is undergoing fundamental change. Get ready for the Age of Mobility



GEARING UP FOR THE EVER-GROWING MOBILITY MARKET

Acquisitions and partnerships are in full swing as companies seek to establish a competitive edge

Not that long ago, 'mobility' seemed like little more than a buzzword with an unclear meaning, but as technology has developed and time has ticked on, it has become a word which describes the transformation of transport.

Encapsulating solutions such as car sharing, peer-to-peer sharing, autonomous and connected vehicles, on-demand transport, alternative powertrains and multi-modal journeys, 'mobility' will have a massive impact on how people and goods are moved around.

Its transformative effect could also change the identity and nature of the prominent companies in the transport sector.

Will manufacturers be able to maintain their dominance or will they begin to make vehicles for a mobility provider? Will companies such as Google, Uber or Apple become the major players or will energy or rental companies dominate the mobility landscape?

The outcome to all of these questions is unclear, but it is beyond doubt that transport is rapidly changing, a fact that is reflected in the market values of the larger players.

Experts estimate that the five largest traditional automotive OEMs (original equipment manufacturers) – Toyota Motor Corp, Volkswagen AG, Daimler AG, BMW AG and Honda Motor Co – have a combined estimated value of \$474 billion.

The five largest new mobility services players – Uber, Didi Chuxing, Lyft, Grab and Go-Jek – are thought to be already worth \$151bn, despite the oldest of these, Uber, being just 10 years old.

KPMG estimates that by 2030 the global mobility ecosystem will be worth more than \$1 trillion.

FUNDAMENTAL CHANGES

While many developments such as autonomous cars may still be many years away from becoming reality, they will fundamentally change the way fleets operate.

"Fleets will acquire fewer passenger and commercial vehicles," says Lukas Neckermann, managing director of Neckermann Strategic Advisors, which has produced a report *The Mobility Revolution: a primer for fleet managers*.

"It will become economically feasible to share vehicles supplied by mobility companies rather than acquire cars, vans, pick-ups, buses and commercial trucks that spend most of their time in parking lots."

This is a trend Gary Smith, UK managing director at Europcar Mobility Group, has already seen happening. "We are finding the appeal of vehicle ownership starting to decline as people

aren't looking to commit to purchasing vehicles or taking them on long-term leases," he says.

"Companies want to give employees choice when it comes to mobility and individual employees are taking flexible benefits. Rather than a having a company car they are starting to consider whether they can find different ways of getting around."

"People want to have a mobility service when they want it without having the burden of a depreciating asset and that is why we have seen rapid growth in car sharing activity over the past couple of years, certainly in urban areas like London where it is becoming harder to park cars."

Europcar last year rebranded as Europcar Mobility Group and its acquisition trail in recent years highlights its determination to ready itself for the wider mobility market.

It acquired majority stakes in Ubeeqo, a French start-up specialising in car-sharing, and E-Car Club, a UK plug-in car hire company, in 2015.

Further acquisitions followed, including Brunel, a London-based ride-hailing chauffeur service, and Scooty, a scooter-sharing start-up.

The company has also taken minority investments in Snappcar, the second largest international peer-to-peer car-sharing player in Europe, and Wanderio, a multi-modal search and comparison platform.

This approach to acquisitions and partnerships is becoming increasingly common throughout transport, whether it is in the rental, vehicle manufacturer or leasing sectors.

Earlier this year, BMW and Daimler announced

they were investing more than \$1 billion to develop and integrate car-sharing, ride-hailing, parking, electrical vehicle charging and multi-modal transport.

THE FIVE 'NOW' VENTURES

The co-operation comprises five joint ventures: Reach Now for multimodal services; Charge Now for EV charging; Free Now for taxi ride-hailing; Park Now for parking; and Share Now for car-sharing.

"Our mobility services have developed a strong customer base and we are taking the next strategic step," says Dieter Zetsche, chairman of the board of management of Daimler AG and head of Mercedes-Benz Cars.

"We are pooling the strength and expertise of 14 successful brands and investing more than €1bn to establish a new player in the fast-growing market for urban mobility."

"By creating an intelligent network of joint ventures, we will be able to shape current and future urban mobility and draw maximum benefit from the opportunities opened up by digitalisation, shared services and the increasing mobility needs of our customers."

"Further co-operations with other providers, including stakes in start-ups and established players, are also a possible option."

Also earlier this year, PSA Group bought TravelCar, which operates short-term rental programmes and allows users to reserve parking spaces through a smartphone app. It has already attracted more than one million users in more than 60 countries.

This will sit under the group's Free2Move brand, which the company aims will become the preferred worldwide mobility service provider by 2030, providing the most convenient mobility service for private and corporate customers.

In the vehicle leasing space, Alphabet has long described itself as a business mobility provider, while in January ALD Automotive signed a strategic partnership with energy company E.ON to jointly develop and market digital enhanced mobility, financing and energy services.

This will focus on mobility offerings for electric vehicles (EVs) for municipalities, corporate and private customers in Europe, and will aim to make the transition to EVs as easy as possible.

These acquisitions and partnerships are just a handful of the numerous investments in mobility services which have taken place, and although it is difficult to predict what will happen to the transport sector in the coming years, it could be on the brink of a revolution.



“PEOPLE WANT TO HAVE A MOBILITY SERVICE WITHOUT THE BURDEN OF A DEPRECIATING ASSET”

GARY SMITH,
EUROPCAR MOBILITY GROUP

FLEET BOSSES SET TO BE RENAMED MOBILITY MANAGERS

The growth in transport options is redefining the role of fleet managers, as their responsibilities evolve to take in the new mobility solutions.

In fact, Paul Hollick, chairman of industry training body ICFM, says that in 20 years' time, they will almost certainly all be called mobility managers.

"They will specialise in managing employee movements – staff moving from A to B as cost-effectively and safely as possible in whatever mode of transport is deemed the most suitable for an individual journey," he adds.

"Employees will be able to book their travel – all modes – and easily expense it – all within corporate travel policies via tomorrow's version of smartphones, watches and vehicles."

"That's because, due to the Internet of Things, they will be connected at all times."

Connected and autonomous vehicle technologies also have the potential to transform the role of fleet decision-makers.

The more progressive ones are already laying the foundations for a future in which their roles will change fundamentally, says Lukas Neckermann, managing director of Neckermann Strategic Advisors.

"If today the fleet just exists to enable employees to do their job, the connected vehicle can do so much more," he adds. "It reduces insurance costs, it can reduce downtime through predicted maintenance, and it can enable shared use in certain instances."

"As new options become available, fleet managers will have gone through one entire cycle of consulting their users on new mobility."

"They will have gone on a journey from initially managing grey fleets, perk cars and CVs, to outsourcing and leasing, ending with car sharing, mixed mode mobility and even overseeing shared autonomous fleets."

THE GROWING IMPORTANCE OF CAR CLUBS AND CAR-SHARE

Car club reduces risk and promotes the use of greener vehicles at county council

While consumer use of ride-hailing services such as Uber is soaring, an increasing number of organisations are adopting car clubs or corporate car-sharing schemes to improve employee mobility.

These services allow employees to replace grey fleet vehicles with newer, cleaner and often electric cars for business journeys, helping organisations meet duty of care obligations, cut costs and reduce CO₂ emissions.

Car clubs and car-sharing have many similarities – both allow employees to book vehicles at any time for periods of a minimum of one-hour using a number of different booking channels such as a phone, web, mobile site or app.

They normally access the vehicles either by entering a code on the windscreen keypad or by using a swipe card, with keys frequently kept inside the vehicle.

The major difference tends to be where the cars are based.

With car clubs, they are usually parked in dedicated bays at either the roadside or at the supplier's premises.

The vehicles in a car-sharing scheme are usually found on an employer's premises and are there for employee use during working hours. Some schemes allow members of the public to use the vehicles at other times of the day.

One organisation which has experienced great success with a car club is Gloucestershire County Council, which estimates it is saving two tonnes of CO₂ a month by using the service.

More than 450 of its 2,000 employees have signed up to the programme, which has available two Nissan Leaf electric cars, three Toyota Prius hybrids and three Hyundai i20 models.

"The on-site car club is not only helping us to reduce our risk, but it also encourages our

employees to use more sustainable hybrid and electric vehicles," says Will Spendlove, commissioning officer at the council.

"They are most useful for shorter business trips which are often the ones where employees would use their own cars."

Suppliers such as Europcar Mobility Group have seen interest in the mobility model grow among corporate clients, while Zipcar UK, which has 2,600 vehicles across the country, saw its membership rise 33% last year to hit 250,000. It saw huge growth in some London boroughs.

Car clubs can also help cut congestion at peak times, according to Dan Gursel, managing director of Enterprise Car Club.

"On-street or dedicated car clubs mean employees who travel for work don't have to drive their own vehicles to their place of work in town first and can use public transport or another method to commute," he adds.



CASE STUDY: SALFORD CITY COUNCIL

Council representatives have access to a pool of Co-wheels vehicles

Salford City Council has cut grey fleet mileage by 95% and costs by £150,000 a year since putting a car club at the heart of its travel plans.

Under the Green Wheels initiative, rather than council staff using their own vehicles and claiming back business mileage costs, a pool of Co-wheels car club vehicles has been

made available. The 39 cars, including eight electric vehicles, are based at 13 sites across the city and have also been made available to members of the public to hire in the evenings.

Councillor John Ferguson, lead member for workforce and industrial relations at Salford City Council, said: "When we

launched the plan, staff were travelling 1.7 million miles a year on business – that's the equivalent of 40 times round the earth every year.

"Clearly that was not sustainable or good for the planet. We've cut business miles travelled by car, saved more than £150,000 a year and 478 tonnes of carbon every year."

Taking the mobility journey

Traditionally, the management of employee mobility has been compartmentalised. Fleet managers, travel managers, HR and procurement can all be involved in separate parts of the process.

For the employee, this could mean a disjointed booking process, disconnected or inefficient journeys and confusion over who to speak to should things go wrong.

For the business, it means reduced staff efficiency and productivity, increased administration time and expenditure and no holistic view of company travel and where efficiencies could be made.

The pressure to not only cut costs but also emissions is also increasing all the time.

Research commissioned by Europcar Mobility Group UK identified the top three goals for fleet policy:

1. Sustainability (43%)
2. Control of fleet usage and fuel costs (43%)
3. Control of fleet ownership costs (38%)

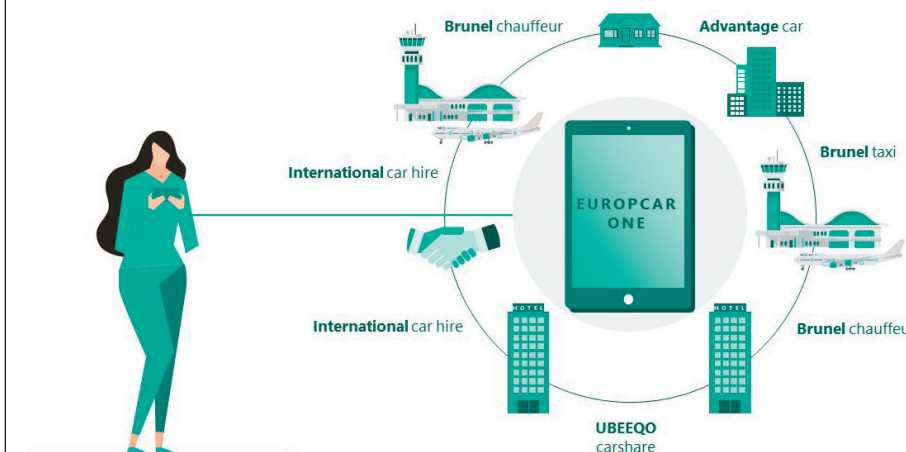
Europcar Mobility Group UK is charting a path through these challenges to give today's fleet managers – tomorrow's mobility managers – a platform that not only provides streamlined booking for a variety of mobility options, but also delivers the insight to plan mobility strategies for the long-term.

One point of access ... one information portal

Europcar One provides fleet and corporate customers with a single point of access – and management – of the

"Europcar One also provides a 360° view of the entire journey for each mobility solution, giving businesses the insight they need to be able to track, monitor and maintain journeys efficiently"

BOOK COMPLEX JOURNEYS WITH EASE



Europcar Mobility Group services, with journey optimisation at its heart.

By understanding the mobility options available for a complete journey – door-to-door – fleet managers can select the services that will deliver the best experience both for the traveller and for the business as a whole.

Crucially, Europcar One also provides a 360° view of the entire journey for each mobility solution, giving businesses the insight they need to be able to track, monitor and maintain journeys efficiently.

Insight for future strategy

Fleet managers need to be able to understand and analyse how the use of different mobility solutions is impacting financial and environmental targets.

Europcar One delivers this insight through consolidated reporting and invoicing. The depth of intelligence means fleet and travel managers can better understand, and therefore control, their spend on mobility services. Additionally – and importantly – they can use that knowledge to inform future travel policies, ensuring they are giving users the services they need when and where they need them, while managing overall costs.

Right partner to mitigate the challenges

Businesses are facing more diverse challenges than ever when it comes to

managing their mobility needs.

Mitigating these challenges alone is not easy. However, with the right mobility partner, these challenges can be overcome.

Europcar Mobility Group UK is helping businesses access innovative and flexible mobility solutions, from short-term UK and international car and van rental to long-term car and van rental with Advantage from Europcar, as well as Ubeeqo car share and taxi and chauffeur drive with Brunel.

Europcar Long Term Flex is also helping employers tackle grey fleet usage.

Supported by intelligent insight to increase efficiency while reducing unnecessary admin and management costs, the right mobility solutions, including access to alternative fuel vehicles, are helping businesses define and manage their mobility strategies for positive long-term benefit, for their business and the environment.

**Europcar
Mobility
Group
UK**

To find out more call 0371 384 0140 or email businesssolutions@europcar.com

REPORT HIGHLIGHTS TRIO OF BIG INFLUENCES ON MOBILITY

New forms of mobility 'critical to the support of population hubs and economic activity'

Three key disruptive forces will shape the UK future mobility landscape: electric vehicles and alternative powertrains, connected and autonomous vehicles and on-demand mobility services. That's a key finding of analyst KPMG's Mobility 2030: Transforming the Mobility Landscape

report, which looks at how today's transport system may develop.

"Amid continued population growth, urbanisation and environmental concerns, new forms of mobility are critical to support tomorrow's population hubs and economic activity," says the report.

"Today's mobility systems suffer from congestion, inefficiency, accidents and high price. But the future promises convenient, safe and economic mobility, with less impact to health and the environment."

Here we look at the trends which KPMG says will fuel the transformation.



CONNECTED AND AUTONOMOUS VEHICLES

CAVs have the potential to transform the world by fundamentally altering the way people and goods are moved.

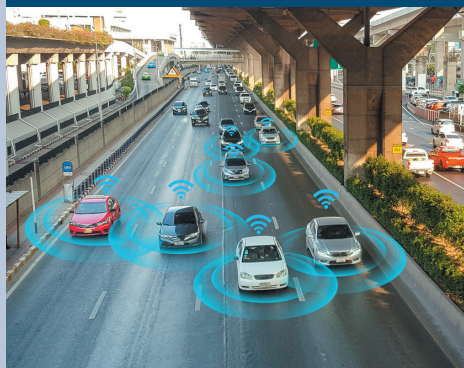
They could improve safety and reduce congestion, while opening up mobility to those currently excluded by transport services, such as young and elderly people.

KPMG's research found that at least 15 OEMs have pledged to release Level 4 autonomous vehicles (high automation, where the vehicle performs all tasks in most conditions, but the driver must be ready to intervene in specific circumstances) between 2019 and 2025, while full autonomy (Level 5) may not arrive before 2030.

The company says that although the onset of CAVs should decrease the overall number of vehicles, the number of journeys and total distance travelled is likely to increase, driven by more affordable on-demand mobility services.

KPMG estimates that in the UK, total passenger miles travelled could rise by as much as 10% between 2015 and 2030.

The speed of adoption of CAVs is likely to vary significantly by region, based on four key pillars underlying AV adoption: availability of infrastructure, AV technology research and development, public acceptance of the technology and the regulatory environment.



ELECTRIC VEHICLES

At the end of 2018, EVs made up around 1% of the total worldwide vehicle parc. However, the technology has gathered momentum since, with electrification undoubtedly at the top of OEMs' agendas.

The report found three key barriers remained to widespread EV adoption: ■ Total cost of operation: Achieving TCO with petrol and diesel vehicles will be critical for EV adoption, says the report. In the absence of further government incentives, KPMG expects this to occur around 2020 for LCVs, with passenger vehicles to follow soon after.

■ Education: Range anxiety still deters some buyers, with drivers fearing getting stranded. However, KPMG analysis indicates these worries are mostly unfounded, with 99.3% of current UK journeys within current EV ranges.

■ Infrastructure: KPMG says a significant increase in public charging points is needed to give users confidence and to support EV uptake.



ON-DEMAND MOBILITY

KPMG says changing attitudes towards vehicle ownership signal a clear shift in the way consumers view mobility.

Its Global Automotive Executive Survey 2019 found that half of car owners know they will no longer want to own a vehicle by 2025, while in the UK the percentage of men aged 17-20 holding a full driver's licence fell from 51% in the mid-1990s to 29% last year.

KPMG says this shift can be partly attributed to the demand for mobility as a service, such as the emergence of on-demand private car hire firms like Uber and Lyft.

For example, Uber was launched in the UK in 2012 and recorded more than 20 million journeys in its first four years. By early 2017, half of the UK population had access to its services.

However, ride hailing is not the only on-demand model, and KPMG has seen sustained interest in car-sharing schemes, such as BMW's DriveNow.

Three of the best... MOBILITY CONCEPTS

From Minimo to Ultimo the shape and size of vehicles of the future will differ wildly

CITROËN AMI ONE

Citroën's Ami One two-seat electric vehicle concept will "liberate urban citizens" and is intended to provide an alternative to public transport, as well as bikes and scooters.

With a range of 62 miles and a top speed of 28mph, it can be managed via an app for car share via PSA Group's mobility brand Free2Move, as a five-day rental, five month commitment-free access and five-year leasing option with battery, maintenance and parking included in the monthly payment.

Ami One is based on a 100% digital ecosystem. It offers an 'on demand' customer experience at

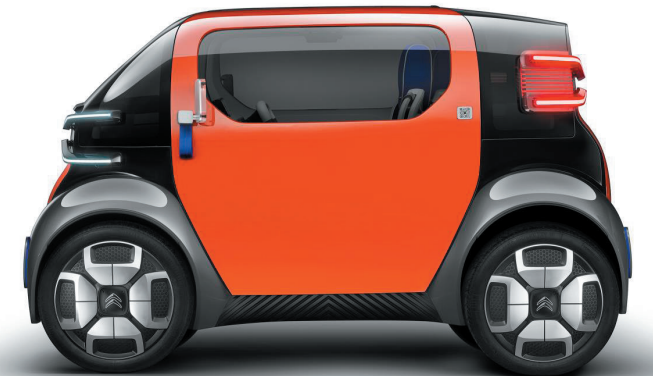
every step in the process (online presentation, test drive request, service configuration, reservation and delivery).

Arnaud Belloni, vice-president marketing and communications at Citroën, predicts Ami One could be launched in 2020/21.

Citroën already has car sharing trials in Madrid and Paris with the C-Zero where customers can use the vehicle when they need it.

But, it also believes there is an opportunity for an Airbnb-style proposition, called Earn & Drive, where the vehicle is owned by an individual or business, but rented to others when not required.

Key is the fact that it brings affordable mobility to more people, but Belloni also believes it



could offer a last-mile solution for delivery operators in urban areas.

Citroën is also due to reveal another concept, a vision of autonomous long distance travel,

later this year. This vehicle will have four seats and will address the predictions of growth in city populations which want to get out at weekends.

SEAT MINIMO

Minimo – Seat's vision of the future of urban mobility – is an all-electric quadricycle designed to meet the challenges of city driving.

The two-seat vehicle is designed to be narrow and agile to make it easy to navigate around urban areas, and features an enclosed cockpit to increase both safety and its ability to serve a wider number of drivers and their needs.

Its all-electric powertrain gives it a range of more than 62 miles and means it will be able to enter all city centres regardless of how stringent their emissions legislation is.

The vehicle is designed so users easily swap battery packs to refuel the vehicle to significantly reduce the charging time for private customers as well as the operation costs of an urban electric car sharing service.

"The industry is adapting to changes in the way customers view personal transport," says Luca De Meo, president of Seat. "With the Minimo, our first product designed to purpose, Seat is addressing those challenges to create the future of urban mobility."



RENAULT EZ-ULTIMO

The EZ-Ultimo is Renault's autonomous, electric, connected and shared mobility concept which offers a premium travel service.

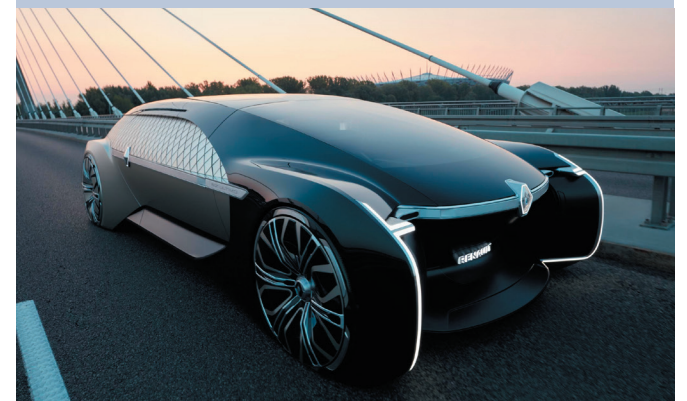
Available on-demand for an hour or a day, EZ-Ultimo is equipped with Level 4 autonomous driving technology which allows the interior to provide a luxurious lounge experience.

Entrance and exit is easy through a wide, automatic opening and a rotating seat on a slide which welcomes occupants. For more privacy, passengers are hidden by glass facets.

Its interior is made from upmarket materials such as wood, marble and leather.

The vehicle also features the brand's Augmented Editorial Experience, which is immersive and combines personalised premium content and multi-media themes to turn travel time into a learning experience.

EZ-Ultimo is the third in Renault's family of concepts focusing on autonomous, electric, connected and shared urban mobility services. It uses the same flexible platform of Renault's on-demand shared robo-vehicle for ride-hailing EZ-Go.



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FOR ALL.



Is your business at a standstill?

Then call **Europcar Mobility Group** on **0371 384 014** to discuss the latest mobility solutions we can offer.



*MINORITY STAKE