

Unlock the value of mobility services

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What are mobility services?

BI: We're seeing huge changes when it comes to mobility services. It might be first helpful to understand what we mean by this term.

Mobility services are really digitally-enabled services and these can be broken into two groups. The first is vehicle-as-a-service. Here we are talking about car subscription services, daily rental and micro-mobilities, such as bike and scooter renting. Second is mobility-as-a-service, which is ride-hailing, ride-sharing and effectively on-demand-transportation.

These mobility services have really emerged as a third or hybrid model in transportation options. The first is really private car ownership, where individuals own their vehicles and use it privately. On the other end of the spectrum is public transportation, which is largely bus and train, etc. Mobility services fits in the middle between these two options.

How mobility services generate value

JR: So there are various ways how mobility services are generating value already right now. There is a user perspective, there is the society perspective, there is the economic perspective, and last but not least, there is also the environmental perspective. And in all of these four areas there is a huge opportunity where new mobility services can create value.

BI: These mobility services already constitute and contribute to a meaningful part of the US economy, contributing up to 80 billion dollars today already, with ride-sharing contributing roughly half of that amount.

Why mobility services are not profitable

JR: First of all there is a lack of user acceptance, which also hinders going to higher degrees of scale with mobility services. Second of all is the regulatory side, which still favors individual forms of mobility rather than mobility-as-a-service, so that external costs, for instance, are not reflected in a way they should be. And the third area is really all about the operating model of the mobility services—increasing operational excellence and also optimizing the business models to drive more profitability out of the value that can be generated.