Global trends in mobility tech to watch in 2020

Whether it's in the UK, the EU or globally, mobility tech trends are impacting the big city life in major hubs and will redefine the way we commute in the future. Maddyness selected some of the most important mobility tech trends to watch globally in 2020.

With the rise of extensive solutions for people to make their commute to work more time-efficient, greener and healthier, cities must redesign their urban space to give way to everyone and relieve roads from congestion. Buses, cabs, electric vehicles, bicycles, the need for reshaping cities to make space for innovations in mobility is truly a challenge.

Electrification, multimodal on-demand platforms, automotive software… Here's a closer look at global trends to consider in the fast-moving transport and mobility sector in 2020.

The rise of electrification

According to Vulog, the leader in shared mobility who recently partnered with the UK company Citymapper, car-sharing providers across all markets are intensively electrifying their fleets. This is driven by a number of factors: securing access to city centres, the increased environmental awareness of users, stricter CO_2 emission targets, and marketing reasons.

The *Auto Dealer Quickest Promoting Index* showed that the demand for EVs is at its highest among second-hand automobile consumers. Industry game-changers such as Tesla have disrupted the market by introducing electric models at significantly lower costs than before.

Furthermore, by easing the EV purchase experience, previous common barriers to purchase have significantly been removed. It is common in many countries that consumers receive tax rebates when choosing to buy electric. By increasing transparency around the financial cuts that users can enjoy and pairing competitive leasing offers with flexible payment plans, manufacturers can help consumers feel more financially confident about trading in their current vehicle for an EV.

Such initiatives by car manufacturers combined with the increasing number of phone apps and websites that share information about EV charging locations gives greater freedom, flexibility and certainty for consumers.

The fact that many key players and decision-makers are becoming heavily invested in charging infrastructure together with the availability of new related resources should give consumers greater confidence about completing journeys without worrying about the range and access to charging points.

It is becoming clear that plugging in electric vehicles at home will become the primary method of recharging personal vehicles in the coming years.

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Multimodal vehicle on-demand platforms

Non-OEM (Original Equipment Manufacturer) driven car-sharing providers are adding vehicle types to develop into multimodal vehicle on-demand platforms. The reasons for adding smaller vehicles to the platforms are various.

First of all, platform providers bet on overall lower customer acquisition costs as bikes, mopeds and kick scooters advertise themselves with close to zero marketing cost. Users see the branded micro-mobility vehicles on the sidewalks more than they see branded cars on an off-street parking spot.

Then, signing up for kick scooters and bikes is less complicated than for car-

sharing services. No passport or driver license verification is needed at the beginning, only a valid credit card and a mobile phone number. Signed up customers can then be converted to car-sharing users later during the customer lifetime phase.

One good example of going from multimodal to just one mode is the global kick-scooter player Lime. The company stopped operating a car-sharing service in Seattle, USA and is also winding down the bike-sharing activities in the US and Europe. The business focus shifted to its core business of free-floating kick scooter sharing. This step is understandable as winning the global share of the electric micro-mobility market is a challenge on its own. Initially, the company started as a bike-sharing service but shifted toward kickscooters when Bird started to take off.

Towards legalising electric scooters in the UK?

The UK is of course seen as an interesting location on the battlefield that is electric scooter rental, in part because they aren't currently road/street/pavement-legal. This year, however, the Times reported that the UK government should launch a consultation to look into how to regulate scooters with trials in UK cities potentially on the agenda. But it's far from certain that scooters will be legalised in the UK.

Educating communities about car-sharing

Car-sharing service providers are expected to adapt their offer to the community and focus their branding on lifestyle and community is beneficial for user growth and retention.

The need to educate people on using these mobility solutions is highly necessary, such as informing on how to use the service responsibly and maintaining a positive image of the service. The providers need to set their customers as brand ambassadors.

Some of the car-sharing providers are facing challenges such as the wrong parking of vehicles, speeding/rude drivers or aggressive driving style. Correct usage of public charging points is adding another challenge to the chapter of user education.

For example, some of the users tend to park an EV at a charging spot without plugging in the cable or vehicles are exceeding the maximum of allowed charging duration. Depending on the geography, service providers can increase the range of possibilities and also the effort to educate users.

This is ranging from simple steps like in-app education via pop-up messages to

extensive video campaigns or email tutorials. In some markets, the customer care team is getting alerts in real-time if users are speeding, which are followed by education and warning calls.

Reinforcing the automotive software

According to a recent report from McKinsey, in order to evolve alongside tech efforts that are disrupting the way we use public transport and electric vehicles, we have to innovate on the right automotive software. Software is becoming more important as it determines the value of a car, and the technologies leading this transformation include autonomous vehicles, connectivity, electrification, and shared mobility, which offer new opportunities for growth and disruption.

With the spread of the IoT, we are now using more and more digital cars that are equipped with advanced software, suggesting new business models. Therefore, the capability to manage the development of software systems to deliver the right functionality on time and within budget becomes a differentiating asset.

Fundamentally, the global automotive-related software market should double by 2030, outgrowing the automotive market in general. This dynamic could further increase the risk of software-driven launch problems.

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