

Dear reader,

New services are shaping the mobility landscape enabled by emerging technologies and innovations. They have the power to disrupt existing solutions and the potential to create new markets and societal changes. One aspect of these changes is a clear trend towards shared mobility. With this e-update, we hope to provide you with an overview of this trend and its challenges.

To start with ...



Predicting the future of shared mobility is a challenging task since it is a complex social phenomenon. As stated by [Le Vine](#): “the issue is not, ‘Is car sharing a better deal for this journey than having my own private car?’ It almost never is. The real issue is, ‘Can my **lifestyle** be sustained by using car sharing, and how does that compare with the trade-off in terms of not having to deal with the fixed cost, hassle, insurance, and everything that goes with owning a car?’”.

Mine – Yours – Ours



Source: CIVITAS WIKI elaboration on Deloitte Consulting (2015)

Mobility services are increasingly being coordinated, leading to the generation of a ‘mobility ecosystem’. Thus, and as stated in the [CIVITAS Policy Note](#) Smart choices for cities, **mobility is starting to be considered as a single consistent service** rather than as a series of different and separate mobility services. Many people across European cities search for their best mobility options (or a combination of them) on a daily basis – a hitherto unknown flexible approach. One might argue that, in the future, **innovative mobility services will focus more on the integration between transport modes than on improvements of individual ones.**

Users are now part of mobility itself as they can share their resources (cars), their time, opinions and feedback about services with other users and thereby contribute to building a supply of mobility services in a way that has not existed before.

- According to [PricewaterhouseCoopers](#), five sharing economy sectors (peer-to-peer finance, online staffing, peer-to-peer accommodation, car sharing and music/video streaming) alone could generate up to €30 million in revenues globally by 2025.
- According to [Roland Berger Strategy Consultants](#), in major cities across North America, Europe and Asia, shared mobility today accounts for around 10% of public passenger transport, up from less than 1% in 2014.
- According to a [survey](#) conducted in the U.S. in 2015, 8% of all adults have participated in some form of mobility sharing and 1% of all adults have served as providers under this new model, chauffeuring passengers around or lending their car by the hour, day or week.

The new paradigm of Mobility 2.0:

The mobility sector is moving towards a scenario of shared use driven by some megatrends,



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including:

- **Rise of a new consumer culture:** In the industrialised nations and other highly-developed countries, a new generation of consumers has emerged who are often content merely to use a product rather than having to own it.
- **Scarcity of resources:** Firstly, scarce raw materials are pushing up energy prices and are increasing the demand for efficient mobility services and technologies. Secondly, many cities today lack the space to substantially expand their transport infrastructures. Thirdly, they mostly lack the money needed to invest in new and expensive infrastructures.
- **Digitalisation process and continuous connectivity:** Innovation in the area of ICT continues at a rapid pace, creating ever more extensive ways of connecting people, things and processes over the web.
- **Demographic trends:** An influx of new residents is accelerating the size of cities around the globe. Cities are being forced to address traffic congestion, noise and air pollution, and are therefore looking for intelligent, low-carbon mobility solutions.

The combined effect of these factors will increasingly impact on car ownership and usage. Cars are, generally, used for less than one hour a day (and rarely for 10% of the day) so they are increasingly seen as being an inefficient and underused asset.

A landscape of new beginnings

Conditions could not be better for newcomers to shared mobility. This hugely dynamic market leaves plenty of room for innovation ([Roland Berger Strategy Consultants, 2014](#)).

Shared mobility is gaining ground. By 2025, millions of people will likely be using and linking products and offerings in smart and creative ways as a matter of course. The triumph of shared mobility should also give electro-mobility its long-awaited breakthrough.

The vision for big cities by 2025: Electric cars will be far more widespread than conventional cars. Sometimes you will have to consciously look out for the old gas guzzlers. Shared mobility networks will boast a high vehicle density, and the next shared vehicle is on average never more than 200 meters away. That is one reason why many urban residents will have given up owning their own cars, with more people following their lead all the time.

Growth opportunities for shared mobility can be defined as follows:

- **Car sharing:** on average, cars are parked for 23 hours a day. Thus, there are many and varied ways to organise more individual mobility by sharing vehicles and letting others use them by the hour.
- **Ride sharing:** Ride sharing organised in real time is becoming an important element in smart mobility networking for short to medium distances. Buses, trains and taxis have been more popular than ride sharing to date, but are either too inconvenient, inflexible or too expensive.
- **Bike sharing:** In many European cities, bicycles are becoming a popular mode of inner-city transport. Many large cities have ambitious plans to boost cycle traffic: Copenhagen, for example, is targeting a 50% share of inner-city traffic by 2025.
- **Shared parking:** Up to 30% of city centre traffic is trying to find a parking space at any given time. Smart communication and the use of private parking spaces thus open up a huge new market.

Sharing means cooperation

In parallel with conventional public transport, more cars and bikes are being shared in cities; both via peer-to-peer and business-to-consumer models, but many of those concepts haven't yet managed to take off as providers are still testing different business models. **"Why is the innovation potential not being unleashed?"** asks Arthur D. Little in his study [The Future of Urban Mobility 2.0](#), and also answers this question: "There is a key reason: the management of **urban mobility operates in an environment that is too fragmented and hostile to innovation**. Our urban management systems do not allow market players to compete and



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establish business models that bring demand and supply into a natural balance. It is one of the toughest system-level challenges facing actors of the mobility ecosystems.”

Business (not) as usual



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Although sharing is often perceived as the figurehead of a completely alternative economic system, **shared mobility has nothing to do with non-profit community market aspirations**, as stated by the publication: [How new businesses are rewriting the rules of the private transportation game](#) (Roland Berger Strategy Consultants, 2014).

In Austria, for example, the car-sharing operator ZipCar stopped its business in August 2017. As a consequence, the City of Graz is now further developing the city-owned system [tim](#), which offers not only cars, but also bikes and e-taxis.

Also in Austria, the Chinese bike sharing provider [Ofo](#) started a business in Vienna with 200 bikes. For the present, and during a pilot phase, the bikes can be used for free. In contrast to the well-established operator [Citybike](#) with more than 1,200 bikes, Ofo is a free-floating (dockless) system.

From September 2017, "[Billy Bikes](#)" will be available in a test phase in Brussels (Elsene, Etterbeek and in a part of the centre). For 15 minutes the user will pay about €2. This can be done on an app which will also serve as the key to the padlock and unlock the bike.

[DriveNow](#), the car-sharing service operated by the BMW Group and Sixt SE, recently launched its service in [Lisbon](#), Portugal. This new service represents an investment of over €5 million and will make a new fleet of 211 vehicles available, including 11 electric vehicles. The service will cover a 48 km² area of the city. Apart from the considerable expansion of the car-sharing offer previously available in Lisbon, that is by itself noteworthy, it is also remarkable that the investment is being carried out by the Portuguese road infrastructure and mobility operator Brisa Group. After [Copenhagen](#) and [Helsinki](#), Lisbon will become the third city in which DriveNow will operate a franchise model.

VeloCittà – The Platform for Cities & Bike Share



The European project VeloCittà reinvented itself to become '[VeloCittà, the Platform for Cities & Bike share](#)'. This initiative could not have come soon enough, at the dawn of a confusing perfect storm of Chinese bicycles landing on the streets of European and American cities. Some cities welcome these 'free' on street rental bikes (Milan, Florence, Minneapolis) but their experience is not always positive, like in [Manchester](#). [Amsterdam](#), [Dublin](#) and even China [scrambles to tame the bike chaos](#).

More alarming news comes from the industry itself: A 50-page [report](#) stresses that the sector faces stiff challenges: "If investors aren't interested in the bikes in dockless bike share systems and only want to mine the data, it's possible that tech companies will be looking for a quick return on the investment and will possibly go off to feast on another data-rich sector sometime soon, leaving an awful lot of share bikes to rot by the roadside". A new alternative floats the market these days, where docking stations are being replaced by "Geo Fence Zones" as a way to control the chaos. Cities can stay in control, provided they choose the right software provider. Further information can also be found on VeloCittà's [news-article blog](#).

What the future may hold



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As said above, predicting the future of shared mobility is a challenging – maybe impossible – task. But shared mobility is gaining ground.

By 2025, millions of people will be using and combining products and offers in smart and creative ways as a matter of course.

One of the most compelling attractions of the new mobility offers is that they are so convenient. Comparison portals let people pick their vehicle of choice from a pool of providers. Different service and quality levels can also be booked using mobile apps: Peer-to-peer rental is the most economical option, and the price scale goes up as companies offer new vehicles in every conceivable category, complete with ultramodern sat nav devices that broadcast traffic congestion news in real time. Add-on offers also let customers book other links in the mobility chain, from bikes to local public transport to flight tickets.

Today, no one can imagine a world without smartphones anymore. **Shared mobility too can now rightly also be deemed a mass phenomenon.**

Upcoming events

- **6th International Conference - Towards a Humane City**
26 – 27 October 2017 | Novi Sad, Serbia
www.humanecityns.org
- **2nd International VeloCittà Conference & 2nd Bikeconomy Forum**
16 – 17 November 2017 | Rome, Italy
www.velo-citta.eu
- **Act TravelWise Annual Conference – Forward Thinking, Future Planning**
25 January 2018 | Birmingham, UK
www.acttravelwise.org/events

For more events, please visit the [EPOMM calendar](#).

