

Trend

/trend/

a general direction
in which something
is developing or
changing.

nations, states and cities are
, with more adding
are pushing to phase out ICE
gh there is some con
California is also looking
and India have a similar target.
South Korea expect to reach zero
5.

rs are aware time is ticking. To do
rt by 2050, at the latest, new en
nicles must be on sale now. If
facturers, represen
old globally each year, have indic
ing or selling ICE vehicles. Tar

Trend definition document #2

The migration to mobility and diversification of ownership models

Cox AUTOMOTIVE





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Craig has spent more than 30 years working in the automotive sector, including two decades with Cox Automotive brands. In his international role, Craig continues to lead the way in developing strategies to anticipate and respond to industry trends.

Foreword: Introducing the Cox Automotive trend definition documents

There is no doubt that global events of 2020 and 2021 left a lasting mark on the automotive sector, causing organisations to pivot business models, upgrade supply chains, and review routes to market. However, while some behaviours may have been accelerated, much of these changes form part of bigger trends that were already being felt across the automotive ecosystem.

From increased automation and connectivity to the push for cleaner and greener motoring; digitisation of sales channels, through to empowered customers calling the shots, there is rising demand for flexibility and agility. The approaches which will deliver success for automotive manufacturers, fleets and retailers tomorrow are not the same as we've seen in the past.

In an era of significant volatility, uncertainty, complexity and ambiguity (VUCA – to coin a military and management acronym!), it isn't enough to sit back and watch what happens. As a global organisation, with businesses operating across the entire vehicle lifecycle, Cox Automotive has a significant role to play in identifying trends, challenges and opportunities which the sector will face over the coming years.

The automotive sector has a key role to play in the journey to zero emissions, with governments and legislators creating both push and pull forces on the industry. This will fundamentally change how we buy, sell, own and use vehicles. This short series of [trend definition documents](#), alongside our annual [Insight Report](#), is one way in which we are supporting partners and customers to set their strategy for success.

While we cannot and will not provide all the answers, this short series of automotive trend definition documents set out what we mean when talking about the biggest global issues of the day, and seek to help our customers navigate the complex path ahead of us. Over the coming pages, we explore one of these trends. We hope you'll then investigate the wider series (you can find them all here) and let us know what you think via our events and social channels.

Definition

/dɛfi'niʃ(ə)n/

the act of defining a word, phrase, etc.

The migration to mobility and diversification of ownership models

More consumers are choosing to use vehicles as and when they need them as opposed to owning them outright. The trend is enabled by technology but is accelerating due to societal changes that both precede and are resulting from the pandemic. The definition of ownership is also being redefined, enabled by ever-evolving finance, lease and rental models. Manufacturers, fleets and retailers are wrestling with the opportunity to offer subscription-based, flexible ownership and multi-user products. One size does not fit all. And while COVID-19 may have dampened enthusiasm for ride sharing, it remains a piece in the mobility jigsaw.

At Cox Automotive, we are focused on several key areas within this trend:

- Changing attitudes towards car ownership and the rise of flexible access and car sharing business models
- Developing the used market for vehicles which have had a non-traditional service life
- Keeping assets moving and reducing downtime between users
- Handling, inspecting, storing and maintaining vehicles through multiple users
- Supporting new-form mobility providers with software and services

Diversification

/dai.v3:.si.fi'kei.ʃən/

the process of starting to make new products or offer new services.

for the company, it's a sensible diversification of their product range.

What do we mean by mobility?

The concept of mobility is a consequence of the convergence of several broader trends, including those summarised via the acronym ACES (meaning autonomous driving, connectivity, the electrification of vehicles, and shared mobility). These are enabling entirely new ways of moving people and goods around.

Mobility solutions therefore encompass a broad range of services primarily concerned with the shift from ownership to usership in transportation. We recognise that this also includes multimodal transport solutions, from e-scooters to air taxis, and more. However, within our automotive space, we are specifically focused on the implications of managing and maintaining flexible and frictionless access to passenger or light commercial vehicle assets, across different formats and with multiple users.

Travel has been altered by the global COVID-19 pandemic. Stay-at-home orders, home working, increased home delivery requirements, and anxiety around returning to public transport have all influenced new patterns. The shift was already in play pre-pandemic. Influencing factors include

urban congestion, climate change and the increase in importance of sustainability, technological advances, and a more connected infrastructure in towns and cities.

The trend towards the ‘owned car’ concept being replaced in some markets with flexible car sharing, ride hailing and subscription services was also gathering momentum pre-pandemic. While some of these shared mobility solutions are yet to bounce back, there remains demand for flexible vehicle access that meets seasonal, geographic, personal and work-related use cases. For fleets, it means meeting demand for greater flexibility as the traditional binary choice of rental vs lease becomes obsolete.

Flexible
/'fleksib(ə)l/

able to change or be changed easily according to the situation.

What do we mean by ownership models?

Ownership and usership sits on a broad spectrum, with an ever-more important opportunity being created between daily rental and the typical three-year lease contract. As a user-centric concept, the driver may not want the perceived hassle of owning a vehicle, with the associated insurance and servicing requirements and disposal risks; however, they still want the benefits of on-demand motoring and the high levels of customer service.

With shortening contracts, flexi-rental, subscription models, and more, it is perfectly possible that a vehicle may have just one or two owners in its first seven years. However, it could have hundreds of drivers during that period. ‘One careful owner’ has a new meaning to it. This creates opportunities for organisations to evolve the vehicle handover process and shape the customer experience. Robust inspection, refurbishment and maintenance processes are needed. Downtime will become increasingly undesirable. There may also need to be tweaks to the way in which these multi-user vehicles are financed and valued.

Another key area is around keeping the vehicle parc moving. Factory shutdowns, supply chain issues, and parts shortages of recent years combined to create delays in new vehicle delivery. The used market responded, with increased values, higher sales figures, and quicker vehicle turnover. However, there are still big gaps, with rental, lease and car share companies in need of vehicle assets, while some owned vehicles are doing low to no mileage. There has been a rise of peer-to-peer car sharing, where people rent out their personal vehicle for shared journeys or when they are not using it, but this remains a small part of the mobility mix in the UK.

Ownership

/'əʊ.nə.ʃɪp/

the fact that you own something.

Areas of focus

This trend - the migration to mobility and diversification of ownership models – is stimulating and influencing a wide variety of micro-trends and areas of focus.

These include /



What does this mean in practice?

Mobility as a trend is here to stay. Whether talking about services or solutions, the way in which vehicles are owned and used is undergoing a significant shift. Drivers are looking for convenience and on-demand motoring, with a seamless customer experience that supports their short and long-term vehicle requirements. The change in consumer behaviour and demand represents opportunities for automotive brands to innovate the business model and experiment with different revenue sources.

Cox Automotive Mobility is focused on enabling the emerging global transportation ecosystem through connecting partners with proven mobility technology and services, including fleet services, fleet operations and EV battery solutions. While facilitating different approaches to mobility, these solutions all use technology, data and insights to enable more efficient utilisation of the vehicle parc.

As an example, Cox Automotive Mobility Fleet Services will work with Motional as fleet service provider for the company's self-driving fleet in Las Vegas, with a view to supporting all its 'robotaxis' when the Hyundai and Aptiv collaboration expands its footprint. The agreement facilitates daily, weekly and monthly cleaning and disinfection, as well as mechanical

work. In the UK, Cox Automotive will work with electric vehicle business [Fisker](#) when it enters the market in 2023 to prepare vehicles and support with trade ins.

It is clear mobility solutions and services mean many things to different people. However, for Cox Automotive, the focus is clear: advancing the world's fleets to service the next generation. That means helping to deliver the transportation technology that keeps vehicles moving safely, efficiently and sustainably. Whether owned, leased, shared or subscribed to, the vehicle asset will continue to require fleet management, maintenance, logistics and remarketing solutions.

Practice

/'praktis/

the actual application or use of an idea, belief, or method, as opposed to theories relating to it

Resources and further reading

Now you've read our view, you may want to explore some further resources.

We've found the following papers and articles valuable and insightful:

- To read about post-pandemic travel predictions, visit:

/ Wired: [The Pandemic Put an End to Rush Hour. What Happens Now?](#)

/ Institute for Transportation & Development Policy: [The next pandemic surge: traffic](#)

- To read about mobility in a global context, visit:

/ Cox Automotive: [Ready or not, mobility is transforming the auto industry](#)

/ CB Insights: [The race for the electric vehicle](#)

/ McKinsey & Co: [The trends transforming mobility's future](#)

/ BCG: [Will car subscriptions revolutionize auto sales](#)

/ Euromonitor: [Future of the mobility and automotive industry](#)

/ Frost & Sullivan: [How corporate mobility is being reinvented for the future](#)

/ McKinsey & Co: [From no mobility to future mobility: Where COVID-19 has accelerated change](#)

/ KPMG: [Mobility 2030: transforming the mobility landscape](#)

/ TU-Automotive: [Future mobility solutions have to be tailor made](#)

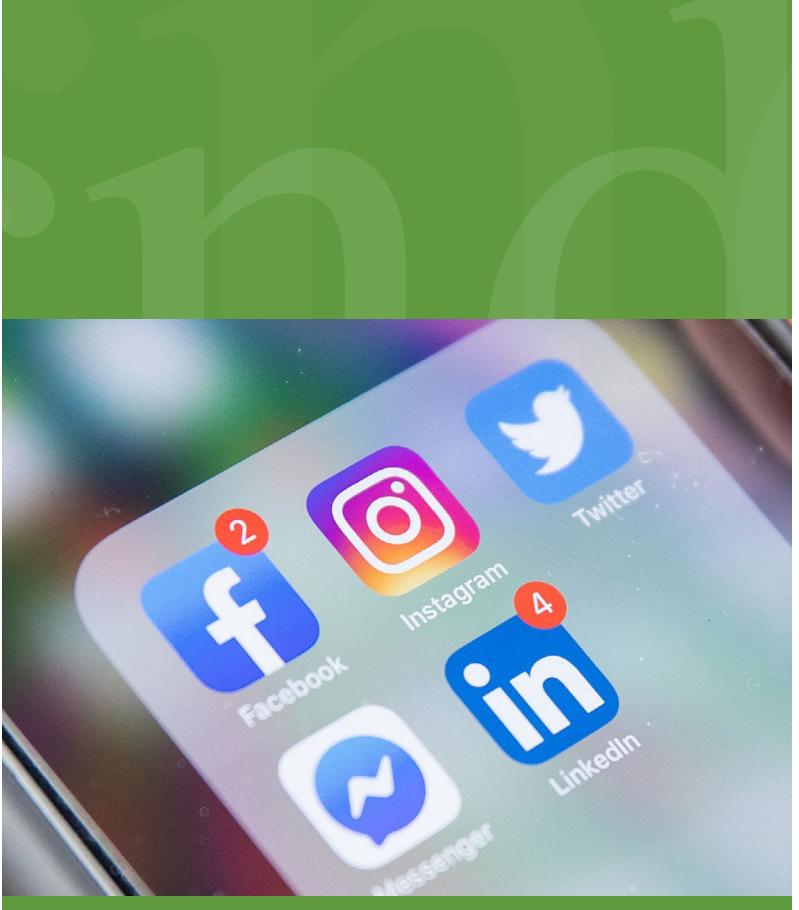
/ McKinsey & Co: [Electrifying the bottom line](#)

/ McKinsey & Co: [Why the automotive future is electric](#)

Reading

/'ri:.din/

the action or skill of reading.



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More insight from Cox Automotive Europe

Cox Automotive has the broadest, deepest, most complete view of the entire automotive ecosystem. Using our data and expertise, we regularly publish meaningful and helpful insight outputs to help customers and other stakeholders stay abreast of the latest industry trends and topics.

/ Our annual Insight Report

Our annual Insight Report - published in partnership with Grant Thornton – brings together expert opinion from across the automotive industry, alongside our own data and analysis to provide a robust picture of the factors set to have the biggest impact over the coming year.

[View the Insight Report here](#)

/ AutoFocus

AutoFocus is a quarterly digital magazine that aims to share a fresh perspective on the latest new and used car market activity alongside timely and digestible analysis of the hot topics influencing our customers' decision making.

[Read the latest issue here](#)

/ The Fuel/hub

The Fuel/hub on the Cox Automotive Europe website aggregates fresh insight, knowledge and thought leadership content from our product brands, in addition to original Cox Automotive analysis and opinion.

[Visit Fuel/hub here](#)

If you'd like to understand more about Cox Automotive, our insights or solutions, please [contact us](#) and we'll be in touch to arrange a conversation.

Insight / 'insʌɪt/

a chance to understand something or learn more about it.

Cox AUTOMOTIVE



MANHEIM



MANHEIM
EXPRESS



dealer auction



RMS/
AUTOMOTIVE



MOVEX



NEXT GEAR
CAPITAL.



Modix ▶



Codeweavers



eVA Valuations&
Appraisals



SPIERS
NEW
TECHNOLOGIES
COX AUTOMOTIVE / MOBILITY



Individually strong. Even better together.

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