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# Software-Defined Mobility

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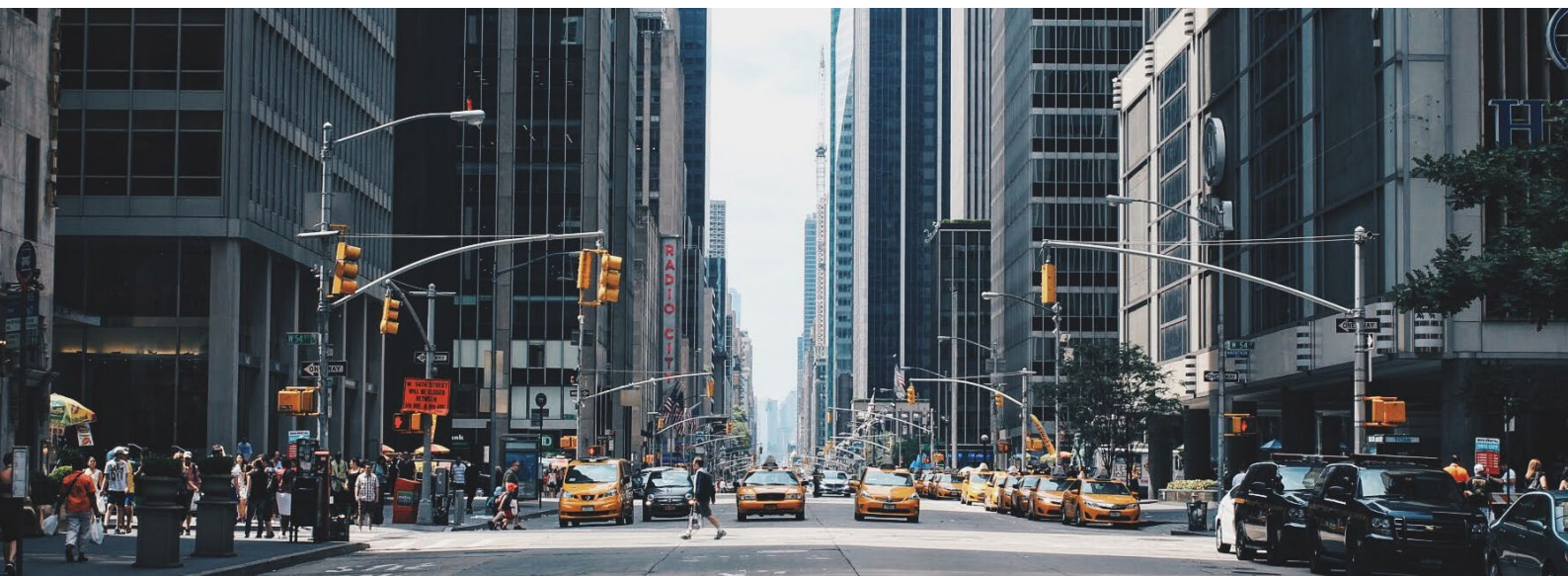
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# Preface

## How smart mobility is driving today's automotive industry?

Around 15 years ago, the world of city transportation trembled. A new player in the public transportation market emerged and immediately caused controversy among cab companies. It was Uber that made the idea of shared mobility accessible - both from the customers' and the "cab drivers" point of view.

Later, e-scooters and e-bikes built their niche, allowing people to quickly roam around the city by simply renting vehicles for a short period of time and parking them wherever they choose.





In **2022**, there are **15,577** car rental businesses in the U.S.

**0.6% increase**  
from 2021

U.S. car rental industry revenue:

**\$28.1 bn**  
in 2021



Vehicle inventory levels are at an **all-time-low**.

Average cost of rent in December:

**\$46/day**      **\$81/day**  
in 2019              in 2021



Minnesota has the **highest taxes & fees** on rental cars of any state at **14.2%**.



Average cost of rent via car sharing services:

**\$72/day**



### Rental cars & car sharing

Top choice for getting around the city

**78%**

Going to business meetings

**72%**

### Ride sharing

Top choice to get to bars and restaurants

**68%**

At the same time, the existing king of the car mobility market, rental companies, continued to grow in revenue and average rental cost. Suddenly, the world changed. The pandemic, which no one had really expected, changed everyone's life. For some industries, it seemed as if the world had come to a standstill. Thousands of flights were canceled, and people kept distance, avoiding enclosed spaces.

This led to a significant drop in car rental revenue - not only because of the decline in travel, but also because of the ongoing impairment of the automotive market due to problems in the logistics chain and semiconductor shortages. This greatly limited the ability of rentals to replenish their fleet after the lockdown, which is an issue till today.

Car rentals, on the verge of collapse, began to adapt. Hertz, for example, one of the companies hardest hit by the situation, rebuilt its Touchless mobile app rental system from the ground up, creating a user experience similar to Uber or Lyft. A car rental company began to take over part of the car-sharing market.

All of this led to the creation of the term Smart Mobility. Easy to use, available at the push of a button - that's mobility. Behind it are very different companies that see an opportunity for growth here: OEMs, car rental companies, and financial service providers. Then they slowly started to change their mindset and product range and became "mobility providers."

These are all modern, cutting-edge solutions that require software and technology to back them up. They are operated from smartphones: mobile apps or websites that require navigation services to locate the vehicle or track the

route. The backend is hosted in the cloud and is accessible from anywhere in the world. New features are added on a daily basis, and a constant connection with the vehicle is a must.

This is what today's automotive market looks like, and there are many indications that similar solutions will continue to define the industry in the years to come. Both long-established car rental companies and OEMs must reinvent themselves in this dynamic and ever-evolving environment. The following e-book was written to introduce the issues and highlight the road ahead for those willing to transition from traditional business to Mobility as a Service. We aim to show automotive companies, car rental companies, and fleet financing entities and help them remain competitive by aligning their offerings with the expectations of the new generations of consumers.



# Download the entire ebook and dive into the Software-Defined Mobility

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