



THE FUTURE OF MOBILITY MANAGEMENT: GUIDING TRAVELERS ON THE GROUND

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As 2020 began, a small number of cities around the world were starting to benefit from mobility advancements. New technologies, transportation models and plans for public-private transit partnerships created a future vision of convenient, eco-friendly transit alternatives for commuters, business travelers and urban dwellers.

For the first time, travelers and commuters envisioned a reality where a single app could assemble transportation solutions to move them from home to office, hotel to client meeting and beyond.

Travelers began to dream about a new reality in which artificial intelligence curates the right mix of travel brands and transportation methods, optimizing preferences—like, minimal travel time, low carbon footprint, lowest cost, or maximum productivity.

This future state simplifies and assembles the dizzying array of transportation options—on-demand car rentals, public transit, shuttles, ride-hailing, ride-share, scooter and bike rentals—to a single point of access and transaction.

While COVID-19 may have paused many commutes and most business travel, it has not eliminated the need for organizations to consider and establish mobility strategies for the future.

In fact, the World Economic Forum contends that working from home has provided an “opportunity for companies, government entities and their employees to realize just how much valuable time and energy was previously spent on daily travel.” Returning to offices, commuters and business travelers will demand more.

Early adopters have already started this journey. Others are plotting visions for the next decade and beyond to use innovative mobility technologies, business models and partnerships to solve travel and commute issues. The modern Travel Manager and Human Resource professionals need to consider how the following external factors impact their existing and potential employees:

- **Growing populations in urban areas**
- **The need for affordable, accessible transit available to all (social equity)**
- **A wider geographic footprint from which to draw prospective worker talent**
- **Corporate and individual responsibility to reduce congestion and carbon emissions**

While automakers and other investors are working to develop new technologies for alternate power, autonomous vehicles, and closed infrastructures such as hyperloops, organizations need to begin strategizing now. According to the University of Michigan, “optimizing transportation and mobility could result

in a tenfold reduction of motor vehicle fatalities and injuries, energy consumption and carbon emissions.”

For corporations, mobility management changes could offer ways to significantly enhance effectiveness and efficiency in travel management, fleet or ground transportation contracts. Mobility management in the future includes a holistic view of employee commuting, business travel, parking and supplier relationships. Future partnerships would need to provide not only the integrated app to access a range of mobility services, but also a reliable network of ground transportation options to serve employees, business travelers, visitors and other stakeholders.

Mobility management in the future could help corporations meet broader needs in sustainability and accessibility—and better guide employees about their options and duty of care.

Data reporting in this new future of mobility would be inclusive of all modes of transport—beyond car rental contracts to include taxis, black car, public transit, ride-hailing, shuttles or more. This comprehensive view will act as a tool for organizations to better leverage or analyze spending and identify ways to enhance services, lower costs or better serve employees.

REALITIES TODAY AND FUTURE TIMELINES

Mobility-as-a-Service (Maas) is operating in more than 20 cities globally, according to a December 2019 Frost & Sullivan market forecast report. One of the first examples of Maas is from Helsinki, Finland starting in 2016. Helsinki government officials’ goal was “to make it unnecessary for any city resident to own a private car by 2025,” according to Deloitte, which describes Maas as “Netflix’s business model applied to urban transportation.” At the core of all Maas examples is a “digital platform that integrates end-to-end-planning, booking, electronic ticketing, and payment services across all modes of transportation, public or private.”¹ Other such examples have emerged in Barcelona, Berlin, Eindhoven, Hanover, Paris, Singapore and Vienna.

In the U.S., such examples are often called Mobility on Demand (MOD), as defined by the federal Department of Transportation. Denver, Las Vegas, Los Angeles and a smattering of other cities also have introduced initiatives.

In its ten-year market forecast, Frost & Sullivan projects the Maas platform market to grow to \$34.53 billion by

¹ Goodall, Warwick; Dovey, Tiffany; Bornstein, Justine; Bonthron, Brett, “The Rise of Mobility As A Service: Reshaping How Urbanites Get Around,” 2017, Deloitte Review Issue 20.



2030, up from \$61.3 million in 2018. “China is expected to demonstrate the highest compound annual growth rate of 109% during this period, while regionally, North America will have a market size of over \$9 billion by 2030,” according to the report. Rapid urbanization, increasing congestion and pollution reduction efforts will drive developments.

City, state and federal governments often influence available options. More than 15 countries and 20 cities have approved regulations to restrict or ban the sale of fuel-powered vehicles, starting in 2025 in Norway, 2026 in Belgium, 2027 in Austria and 2030 or beyond in the United Kingdom, Sweden, California and Canada. Some have imposed taxes on private vehicles, taxis or ride-hailing cars in given areas to reduce pollution or congestion. Others have attempted to enhance transit, mobility-on-demand or other alternatives for residents.

The global pandemic has stalled the growth for some, particularly ride-hailing, ride-sharing and public transit, over safety and social distancing concerns. But such duty of care concerns have provided new opportunities for rental car firms and others that have emphasized their approaches to safety. For corporations and business travelers, safety, reliability and value are even more critical to travel decision makers. Whether to enhance safety or services, reduce carbon output, reduce costs or simplify traveler and employee options, some companies are exploring ways to provide better guidance on ground transportation. “As

COVID-19 has brought nearly all travel to a standstill, now is a particularly good time to reevaluate your existing travel policies,” noted CoreTrust Travel Solution Director Claire Langford.

In addition to highlighting initiatives of early adopters in this space, the BTN Group from July to October surveyed more than 200 corporate travel management and procurement professionals responsible for travel management about mobility management. Results, along with what advocates claim are the primary benefits to stakeholders and society of mobility management, are provided in this white paper.

WHAT ARE CORPORATIONS DOING ABOUT MOBILITY?

In December 2019, the World Economic Forum profiled nearly 20 companies that deployed sustainable commuting or product distribution, such as low-carbon emission vehicles or delivery trucks. Among the initiatives:

BEDROCK & QUICKEN LOANS. In December 2018, Detroit-based commercial and residential real estate firm Bedrock launched a program called MyCommute to “encourage Bedrock team members and visitors to Detroit to try alternative modes of transportation in response to an increased demand for parking within the city,” according to the WEF’s “Corporate Mobility Transport Challenge.” In “collaboration with Quicken Loans and powered by cloud-based commute management software from Luum, the companies offered cash incentives and education to encourage use of alternative methods of transportation.” Alternative transportation options of bicycle, carpool, public transit, ride-hail, vanpool and walking represented about 14% of all commutes logged in the first 30 days. More than 3,800 users logged at least one commute in the tool, and the companies reported that nearly 25% of the target audience increased usage of alternatives modes. Bedrock plans to expand the program to its other locations in Cleveland and Phoenix. “Our goal is to deliver the best possible commute experience, and that starts each and every day with the trip downtown. Bedrock embraces innovative transit programs, combined with easy access to varied mobility options, all contributing to a more vibrant city,” stated Kevin Bopp, Bedrock Vice President, Parking and Mobility.

BANK OF AMERICA. Bank of America offers low-carbon vehicle and workplace charging programs to employees as part of its commitment to accelerate “the transition to a sustainable, low-carbon economy.” In 2018, it offered 129 chargers at 36 office premises in the United States, United Kingdom, Switzerland, the Netherlands, Turkey, the United Arab Emirates, France, China and Taiwan and doubled the emissions avoided as part of the program.

SHIFTING TRANSPORTATION FACTORS

- **“On demand” vehicle usage is rising as new vehicle sales have been declining from a 2016 peak of 17.5 million vehicles**
- **Electric and hybrid vehicle sales are growing—to 325,000 in 2019, according to Edmunds.com, as traditional automakers, along with new ventures invest billions into R&D and plans for nationwide charging station networks, crucial to expansion**
- **Connected vehicles are providing data and services never before envisioned**
- **Autonomous vehicles, hyperloops and even flying cars (technically, vertical take-off-and-landing or VTOL) are in tests**
- **Transit agencies are rethinking the services, routes and demands of users**
- **The rise of app-based transportation options, whether ride-hailing, on-demand vehicles, ride-sharing or carpools, on-demand bikes or scooters, continues in metro areas around the world**
- **Duty of care, social equity and decarbonization concerns are increasing**

LINKEDIN. In 2012, LinkedIn introduced RideIn to offer multiple commute solutions to employees traveling from nine San Francisco Bay area counties to offices in Sunnyvale, Mountain View and San Francisco. Mobility options include monthly transit subsidies, last-mile shuttles to/from train stations, support for cycling or walking to work, vanpools, carpools and Wi-Fi-powered long-haul commuter buses. Electric vehicle charging stations, campus navigation and bikes are also part of the program. The company encourages employees to “try an alternative commute option at least two days a week.” The program took off in 2019 when LinkedIn RideIn “launched a free rides carpool pilot with Scoop (managed carpool technology). It reported a 126% increase in average cars out of the parking lot” and more than 2,500 carpool trips per week. Employees reported increased productivity, as well as new friendships. Registered users had over 150,000 one-way matched trips that saved more than 770,000 pounds of CO2, according to Danielle Glaser of LinkedIn.

ENEL. Brazilian multinational energy company ENEL developed an app to help employees pool corporate trips using a fleet telemetry taxi app and leasing system. Daily trips by workers were inefficient and expensive with a taxi from Sao Paulo to other cities in the region costing up to \$112.50 (R\$450) and a daily car rental costing up to R\$120. “An assessment showed that 18% of corporate journeys could be shared since they have very similar destinations. Mismanagement of resources available was not intentional, but rather a result of lack of information,” according to ENEL’s Eduardo Bortotti. Within the app, the user chooses the route, including origin and destination and the app determines the best travel mode. The app then books the trip and when it identifies other users requesting a similar route, it directs both to pool the trip. ENEL estimates a cost reduction of more than \$300,000 (R\$1.2million) per year in Sao Paulo.

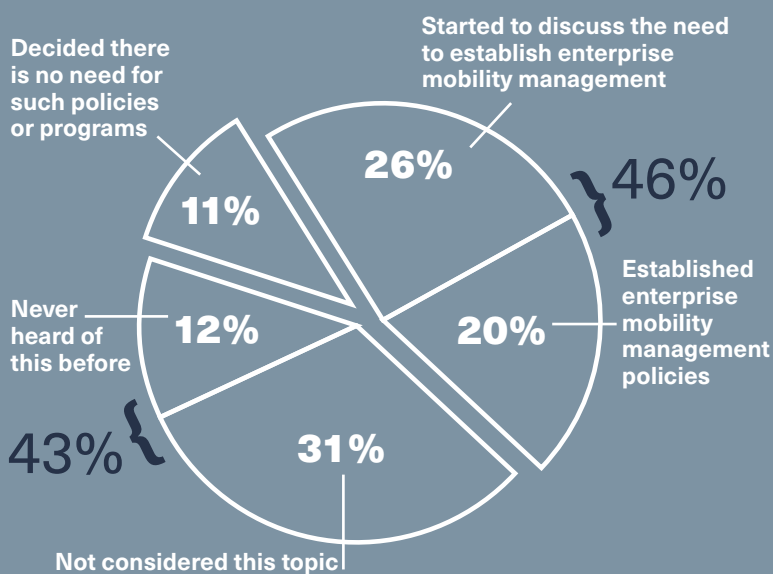
THE BOSCH GROUP. Automotive technology and services firm The Bosch Group encourages a culture of sustainable mobility to 55,000 employees in 15 locations in the Stuttgart, Germany region. As part of its Go for Mobility initiative launched in January 2019, Bosch encourages use of bicycles, public transportation, ride-sharing and corporate shuttles. The program also offers a carpooling app with exclusive parking spots for ride-sharers and it expanded shuttle bus service, equipped with Wi-Fi and app support. Bosch hired a consultant to include corporate mobility in long-term location masterplans and launched a communications campaign to educate employees on sustainable mobility options for daily commutes. More than 12% of employees in the region registered for the carpooling program in the first three months, when the company reported more than 2 tons of CO2 savings from such rides. “We may be automotive suppliers, but specifically in conurbations we help our associates leave their cars at home,” stated Vokmar Denner, chairman of the board of management.

SURVEY SAYS: PART 2 KEY DRIVERS OF CHANGE

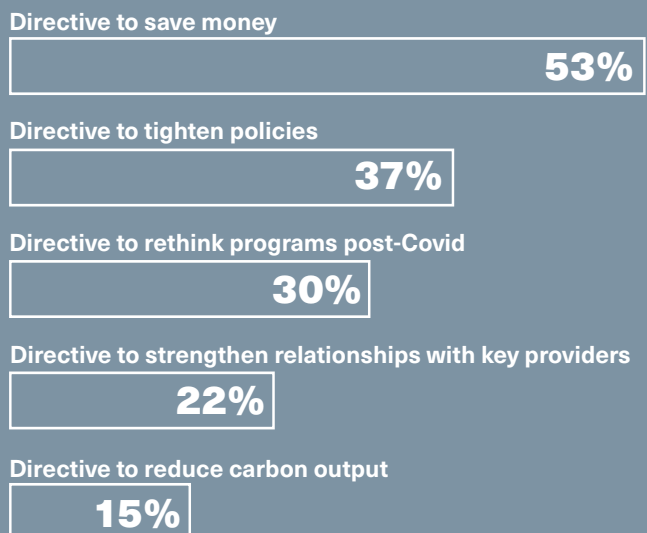
Within business travel today, what are corporations doing about mobility management?

About 46% of respondents to a BTN Group Content Solutions survey said their organizations had either established or started to investigate the need to establish enterprise mobility management policies within their organization. Slightly fewer, 43%, said they had either not considered, or never heard of this topic. About 11% said their organizations decided there was no need for such policies or programs.

1 What Has Your Company Done Concerning Mobility Management?



2 What Prompted This Discussion or Action Within Your Company?



Source: BTN Group Content Solutions / Enterprise Holdings Transportation Mobility Management online survey of 209 corporate travel managers, July-October 2020

3 Top Priorities Within Travel Programs

Weighted average on 3-point scale with 1 as top priority

Ensuring employee health and safety

1.34

Saving money

2.04

Reducing number of suppliers

2.29

Reducing corporate carbon footprint

2.33

Expanding geographic footprint of providers

2.44

Getting travelers to book preferred suppliers/channels

2.46

Enhancing services to employees

2.5

4 Ground Transportation Options Identified in Corporate Policies, Programs

Car rental

94%

Personal vehicle usage/mileage reimbursement for business use

79%

App-based transportation network providers, shared services

64%

Taxi

55%

Black car

39%

Public transit

32%

Chauffeured services

31%

Walking

9%

Bike rental

6%

Scooter rental

5%

Other-shuttle services, charters

3%

CURRENT PRACTICES

Reducing carbon output has been a key driver for governments, consortiums and companies that have embraced transportation mobility initiatives. In the Business Travel News "2020 State of the Industry Report" editors noted that 24% of the 365 travel buyer respondents to an online survey said climate change would push their companies toward more sustainable business practices after COVID-19. "Consulting firm BCG is one company among many global counterparts that has put a great focus on reducing carbon emissions. BCG is committed to reducing emissions by 30% per employee by 2025," Kathryn Bell, BCG managing director and partner, global operations services, told BTN editors.

However, in the BTN Group mobility survey, respondents said their advancements were driven more by ensuring employee health and safety, saving money and reducing the number of suppliers before reducing the corporate carbon footprint.

There's no question that the pandemic has made safety and security leading concerns for all. For those contemplating car-sharing, ride-sharing or shared microbility (scooters, bikes or other one to two-person modes), less than 10% consider them safe options, according to McKinsey's Global COVID-19 Automotive Consumer Survey, conducted in May 2020. In that study, 81% said private vehicles were safe, while 55% said walking or private bike were safe.

As for challenges to developing transportation mobility management policies and programs, BTN Group respondents said employee acceptance topped the list, as cited by about 20%. That was followed by lack of resources or knowledge, cited by 18%. Time and figuring out how best to implement were noted as obstacles by 15% or less.

What resources could help to advance their initiatives? Benchmarking with other companies, best practices, studies and internal commitments were the top responses. A handful of respondents noted that they had hired consultants to help guide their companies through the mobility journey.

FUNCTIONS TASKED WITH MANAGING ENTERPRISE MOBILITY

Perhaps due to the audience, but three-quarters of survey respondents said travel management is the function charged with mobility management, followed by procurement at 37%, safety/security/risk management at 28% and finance at 25% respondents.

Within managed travel, the biggest spending categories of air and hotel have historically gotten the most attention. However, as travel and procurement managers have focused on optimizing every dollar of spend, particularly in mature programs where savings are sometimes harder to seek out year-after-year, some have intensified their focus on other spend categories such as ground transportation, which typically comprises less than 10% of total spend.

In addition, some have intensified their efforts to better corral ground transportation spending due to its highly fragmented nature: often a combination of car rental, taxi, ride-hailing, black car, chauffeured services, public transit and even scooter and

5 Post-COVID Policy Changes

Has your company implemented, or do you expect to implement, any of the following policy changes post-Covid?

Pre-trip approvals of all business travel

62%

Increased options for travelers to drive using personal or rental car

40%

Increased emphasis on use of preferred suppliers, but not mandated

37%

Mandated use of preferred suppliers

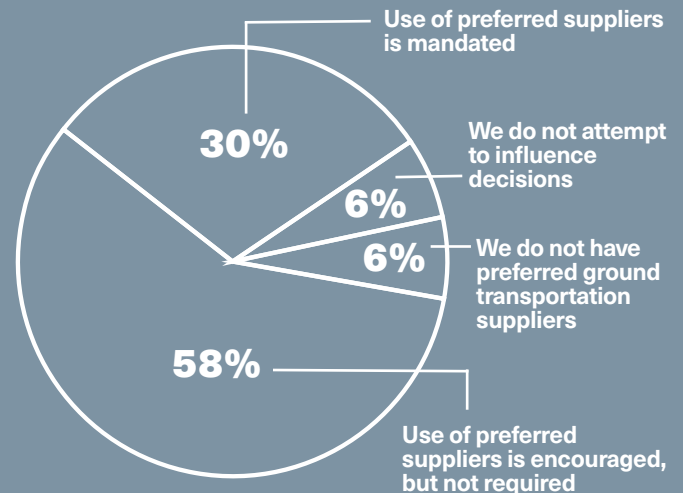
19%

Increased flexibility for travelers to decide suppliers

12%

6 Strength of Ground Transportation Provider Influence

How strongly does your organization influence ground transportation provider selection in the company travel policy, travel apps, booking and expense tools?



Source: BTN Group Content Solutions / Enterprise Holdings Transportation Mobility Management online survey of 209 corporate travel managers, July-October 2020

bicycle rentals. For duty-of-care, companies may want to more carefully review supplier qualifications, global footprints, safety and cleaning practices. However, respondents in our survey indicated that many policies addressed only car rental, reimbursement of personal vehicles for business use, app-based ride-hailing or taxis. Less than half of the respondents said their policies or expense reimbursement guidelines covered black car, chauffeured services, public transit, bicycle or scooter rentals, shuttles or walking.

POLICIES AND MANDATES

Post-Covid, survey respondents indicate that some, though not all, companies have tightened travel policies, implemented multiple levels of pre-trip approvals—at least for now—and even mandated use of specific suppliers that meet a company's safety and security concerns.

POLICIES FOCUS ON AIR-HOTEL TRIPS

When asked if company policies or programs address travel to and from work and home, fewer than 20% said their initiatives currently address such commutes. The vast majority of policies covered travel to airports, rail stations, hotels, meetings or appointments, respondents said. When asked if they thought the policies should cover commutes, fewer than 5% of respondents so indicated.

NEXT STEPS AND CONCLUSION

"In order to move forward, companies should invest the resources – financial, human and time – to conduct a thorough examination of their current transportation practices," according to the World Economic Forum Corporate Mobility Transport Challenge. "Gathering information through surveys, employee, supplier and customer

interviews and other tools is crucial in crafting an appropriate response. Here, context and intersectionality are also important."

Post-Covid, it's clear many companies will be taking a closer look at all policies, practices and spending. For many, a good starting point may be a deep data dive to thoroughly understand the company's total spend on ground transportation, including car rental, ride-hailing and beyond.

Travel Managers have the opportunity to take active roles in the development of company-shaping mobility management initiatives:

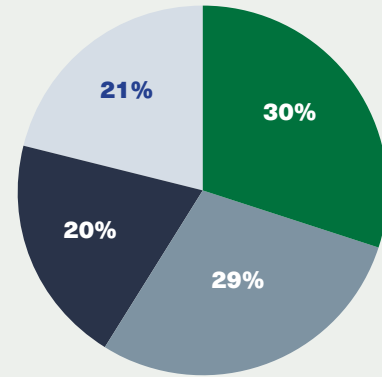
- **Initiate conversations with internal stakeholders, including human resources, fleet management, risk and senior leaders, about the organization's priorities. As mobility management benefits, including carbon output, inclusion and urban planning are identified, offer to provide insights or to participate in associated committees.**
- **Engage preferred suppliers about the mobility management options they offer or expect to emerge in coming years.**
- **Learn what government officials in your headquarter city (and/or top destination markets) are planning in the coming years.**
- **Compare survey responses with industry colleagues to help establish appropriate benchmarks.**
- **Review your policies, guidelines or mandates, preferred supplier relationships and booking and expense tools to ensure they reflect the current priorities of your organization.**

Austin Brown, UC Davis expert and member of the Global Mobility Coalition articulated it simply: "The global community is demanding better from our transportation systems: we want them to be more efficient, more equitable, and less polluting. Getting this right will take a diverse array of research, business and policy voices." ■

Survey Methodology

BTN Group Content Solutions fielded an online survey about transportation mobility management from July to October 2020. Of the 209 respondents responsible for corporate travel, 65% identified themselves as travel manager, director, vice president or other managers; 20% said they were procurement managers, directors or analysts; and 15% said they were other corporate executives responsible for travel. The survey and white paper were sponsored by Enterprise Holdings.

Business Travel Spending of Respondents



● \$50 million or more ● \$10 million to \$49.9 million ● \$3 million to \$9.9 million ● Less than \$2.9 million

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