

Petrol PLAZA

MOVE 2020 - Looking to the future of mobility

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MOVE 2020 (March 11-12, ExCeL, London) showcased the latest trends and innovations in the sphere of urban mobility. Multiple exhibitor streams covering everything from smart cities to connected & autonomous vehicles left plenty for forward-thinking fuel retailers to consider when looking to future proof their businesses.

There are three major disruptions stemming from the mobility sector that are likely to have serious implications for fuel retailers. They are the widespread adoption of electric vehicles over ICE vehicles, new models of mobility, and autonomous vehicles. Each of these disruptions will be discussed below, along with their implications for fuel retailers.

Electric Vehicles

Roy Williamson, VP of mobility at BP's Advanced Mobility Unit, raised the point that falling battery

prices in conjunction with an increasingly widespread network of charging stations are driving sales in electric vehicles. This trend is further facilitated by fast-paced progress being made in charging technology. With 350kw charging around the corner, a 400km charge in 15 minutes will be the norm.

BP predict that by 2040, there will be 350million EVs on the roads globally - up from 5.4million today. Since much of the recharging of EVs will take place at home, or at dedicated EV charging sites, fuel retailers will need to consider how they might recoup revenue lost in this domain. When sampled, [consumers reported that the number one reason why they would not consider buying an EV at this point in time is that charging is not as convenient as traditional refueling](#). With recharging technology becoming far more adept, and roadside charging points becoming more prevalent, fuel retailers must decide whether they want to be a part of the recharging network or not.

New Models of Mobility

The growing popularity of digital mobility solutions such as Uber and Grab is driven primarily by the growing number of people living in cities. From 1960 to 2015, we have seen an [increase from 33% to 54% in the total population living in urban environments](#). As a consequence of this trend, car ownership is projected to fall dramatically. With fewer cars completing a greater proportion of total passenger road miles, in-store footfall is likely to fall. This will result in less revenue for the convenience retail aspect of the forecourt business. When coupled with an increasing number of EVs being employed by ride-share drivers, we are likely to see a downward trend in terms of fuel retail revenue as well.

Also growing in demand are alternatives to cars in the form of individual transport solutions. Bike ownership as well as bike-sharing solutions are becoming more popular. Furthermore, novel solutions in the form of electric scooters and single seater EVs such as the Renault Twizy and the Uniti One will likely further reduce demand for petroleum fuel products as well as in-store customer footfall.

Autonomous Vehicles

Investment into the field of autonomous vehicles is vast with many vehicle manufacturers as well as [digital giants such as Google and Baidu getting in on the action](#). The widespread roll-out of AVs is yet to take place. However, when it does, the effects on the fuel retail industry will be dramatic. The relationship between AVs and shared-mobility services will be symbiotic. Driverless cars will reduce the cost per journey for consumers, thereby incentivising even greater use of services like Uber. Furthermore, AVs will doubtless be fully electric and will likely charge at dedicated lots outside of urban centres. Even if they do charge at existing stations, they will provide no revenue to the convenience retail side of the current forecourt business model.

All of these trends will force a change in the standard business model of fuel retailers. By diversifying their offerings, fuel retailers will be able to capitalise on changing consumer demand. Forecourt operators have the advantage of owning an existing network of highly strategic locations on roadways. Those who are considering how they might leverage these locations in support of the

changing trends in mobility are likely to profit greatly.