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## "How Will Our Planet Accommodate the Mobility Needs of 8 Billion People?"

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An overview of the research conducted by 5 students from HEC Paris: Sacha Krajcik, Emma-Louise Simon, Angeliki Piperidou, Léo Guy, Anna Spiliopoulou.

Supervised by their professors François Gemenne, Pauline Laravoire and Déborah Keraghel.

### **The perspective of business school students: "Mobility business models and solutions to be promoted considering urgency to act and population growth"**

For [the 2nd edition of its live debate](#), the Forum has partnered with three leading universities located in three different regions of the world, incorporating the perspectives of youth and articulating the expectations, needs, and demands of future generations. Each university has focused on a specific dimension of the debate, coherent with their respective disciplines, to tackle the global issue: "How Will Our Planet Accommodate the Mobility Needs of 8 Billion People?"

Students from HEC Paris explored the business dimension. More specifically, they challenged the overreliance on private vehicle ownership embedded in traditional mobility business models and practices. They have explored alternatives and creative solutions that can offer more affordable, scalable, and sustainable mobility options to better address environmental and social challenges.

The digest below summarizes their key ideas and insights.

#### **The General Context - Ongoing Dynamics and Evolutions Reshaping the Global Mobility Landscape**

The mobility sector is undergoing a profound transformation at global level, driven by new regulations, technological advances, and changing consumer preferences. Key trends include decarbonization, globalization, digitalization, and electrification. As the sector evolves, innovative business models are crucial to facilitate this transition and optimize mobility usage.

Besides, mobility plays a pivotal role in various aspects of life, posing a series of economic, environmental, and social challenges. Economically, it accounts for a significant portion of the world GDP, and the global mobility market is projected to more than double between 2022 and 2027<sup>1</sup>. However, this sector also contributes to environmental issues, as it is a major emitter of greenhouse gas emissions and is heavily reliant on fossil fuels. From a societal point of view, important disparities in access to transportation exist between countries and within cities, impacting job opportunities, health, education, and social inclusion.

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<sup>1</sup> Mobility Market Size and Forecast (by Country, IT Solution Area, Size Band and Vertical) to 2027. (February 14, 2024). Market Research Reports & Consulting | GlobalData UK Ltd. <https://www.globaldata.com/store/report/mobility-technology-market-analysis/#:~:text=The%20global%20Mobility%20market%20was,billion%20between%202022%20to%202027>

Finally, the urban population is expected to double by 2050, with 7 out of 10 people projected to live in cities<sup>2</sup>. Given this projected urbanization trend, the urgency to address climate change and all of the above-mentioned trends and challenges, there is a growing need for innovative, accessible, efficient and sustainable mobility solutions in all areas, and more especially in cities.

### **Key Challenges for the Sustainable Future of the Mobility Sector**

Financial accessibility poses a significant barrier to promoting sustainable travel. There is a glaring disparity between the affordability of more sustainable modes of transportation, such as electric vehicles (EVs) and public transit, and the often-lower costs associated with more polluting alternatives.

Furthermore, the widespread of sustainable travel is limited by geographical constraints, especially in rural areas where public transport infrastructure is lacking, and car dependency is deeply entrenched due to limited alternatives.

Finally, individuals struggle to change their mobility habits, as it defines both their lifestyle and identity. If they do wish to change, users will consider criteria such as safety, comfort, and practicality when choosing the mode of transportation that suits them.

### **The Heart of the Transition lies in the Sharing Economy**

In response to these challenges, the sharing economy plays a pivotal role in driving the mobility transition, with the number of users expected to reach 5.45bn in 2028<sup>3</sup>. Shared mobility services emerge as a compelling solution, offering private users flexible, cost-effective options for short-term vehicle rental. However, the applicability of shared mobility currently remains primarily tailored to urban environments in developed economies. Government support and adaptation efforts for rural areas are required to scale up and facilitate the widespread adoption of shared mobility solutions.

### **Different Solutions can be Developed for Scaling Up Sustainable Travel Options**

Currently, numerous possibilities and solutions exist to scale up sustainable travel options. Innovative financing models for EVs propose strategies such as zero-interest loans and income-based subsidies to enhance accessibility. Furthermore, developing incentives for car-sharing and promoting the adoption of rental services for electric bikes are creating viable alternatives to private car ownership. Finally, the development of intermodality through the proliferation of Mobility as a Service (MaaS) platforms can simplify user experience and payment. By integrating diverse public and private transport services into a unified platform, MaaS has the potential to revolutionize the way people commute. Thus, it holds the promise of enhancing efficiency, reducing congestion, and promoting sustainability in urban mobility.

### **Key Insights in a Nutshell**

Our current transportation methods are not sustainable in the face of important population growth and non-renewable, limited natural resources. Innovative business models and collaborative efforts are required to address the multifaceted challenges of mobility, emphasizing the importance of developing inclusive solutions that consider diverse geographies and local contexts while striving for sustainability

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<sup>2</sup>Overview. (Last Updated: April 03,2023). World Bank.

<https://www.worldbank.org/en/topic/urbandevelopment/overview#:~:text=Today%2C%20some%2056%25%20of%20the,people%20will%20live%20in%20cities>

<sup>3</sup> Statista. (March 8,2024) *Number of users in the shared mobility market Worldwide 2018-2028*.

<https://www.statista.com/forecasts/1437778/number-of-users-shared-mobility-shared-mobility-market-worldwide>

and social equity. To tackle the needed mobility transformation, leaders of the mobility ecosystem must rethink how they create value, both economically and for society, shifting the focus from ownership of mobility devices to use of mobility services.