

The future of mobility: 5 keys to the automotive industry

Automobility is at a turning point. How can it embrace sustainability, develop new business models and provide value for all stakeholders?



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In the automotive industry, the next 10 years promise more change than the whole of the last century. It just remains to be seen how these changes will play out. Here are five main

challenges, questions and opportunities.

1. The future is electric

The electric vehicle (EV) sector is undergoing a transformation so great that it has forced the EU to adopt new regulations. It isn't advancing as fast as some would like, but electric still looks to be the most viable way forward.

2. E-fuels, a carbon-neutral competitor

In terms of emissions, both synthetic-fuel (or e-fuel) vehicles and electric vehicles (EVs) are carbon-neutral options. Both technologies need to be able to compete freely in the marketplace, and choosing between them should be based on desired goals.

E-fuels have one significant advantage: they accelerate the reduction of emissions from the existing land- and maritime-vehicle fleets and help achieve net zero faster. Critics note that e-fuels are more expensive than fossil fuels — but, of course, the real cost of fossil fuels should include the environmental damage they cause.

3. Commitment to durable technology

The industry needs to evolve toward better and more lasting product engineering, software and app development. LFP (lithium ferro-phosphate) batteries will play a key role, as they offer the same capacity at almost half the current price.

To build a strategy based on value over turnover, the automotive sector needs to focus on attracting talent and securing the necessary capital.

4. Customers and the industry on different paths

The transition to sustainability is increasingly seen as an opportunity rather than a burden. But the industry is transforming at a pace that customers are not — so far — keeping up with, and management isn't providing the support necessary to move forward in tandem. To overcome obstacles like this, the industry needs greater [collaboration and commitment from all stakeholders](#).

5. Business opportunities linked to user experience

Electric mobility opens the door to developing new business models associated with user experience while vehicles are charging. What services might there be for drivers who have to

wait 20 minutes, or an hour, while their car charges? Will users stay in their vehicles to use these services, or might they prefer to go elsewhere?

In brief

Prof. Marc Sachon, director of the 38th edition of IESE's Mobility Industry Meeting, believes it's useful to observe consumer and industry trends in China, a leading country in electric vehicles, digitalization and car manufacturing and sales volume. "Beijing is following a different strategy from Europe's. While China's future will largely be marked by the electric car, it will also continue to improve on the combustion engine, particularly to reduce emissions, as well as working on developing e-fuels, hydrogen and other technologies that provide solutions for contexts where electric cars aren't feasible," he says.

In general, Sachon suggests, we will need "more collaboration and coordination between the private and public sectors to move toward making Europe the first green continent."

Source: [38th edition of the Mobility Industry Meeting](#), led by Marc Sachon and organized by [IESE Industry Meetings](#).

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