17th EPA Congress

From Brick to Click – Challenges of the Digitalisation Process and the Role of the Parking Operator

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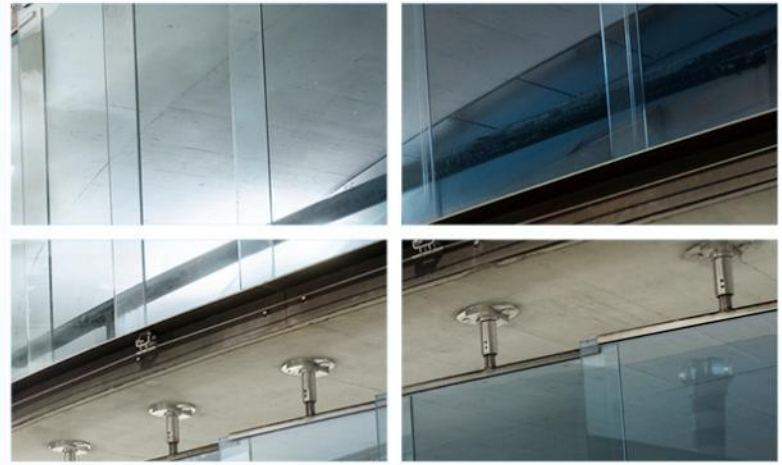


Digital is transforming the way we live and many aspects of our daily lives

Global population of **internet users** and **mobile phone users** has **grown** by **7,900%** resp. **6,400%** since 1995

One-third of American **couples** who have **married** between 2005 and 2012 have **met online** (2013)

The **average American** spends **~6 hours per day** with **Digital Media**[1] (2015)

40% of people **socialize more online than** they do **face-to-face**

45% of the **German population** uses **social media** (2015)

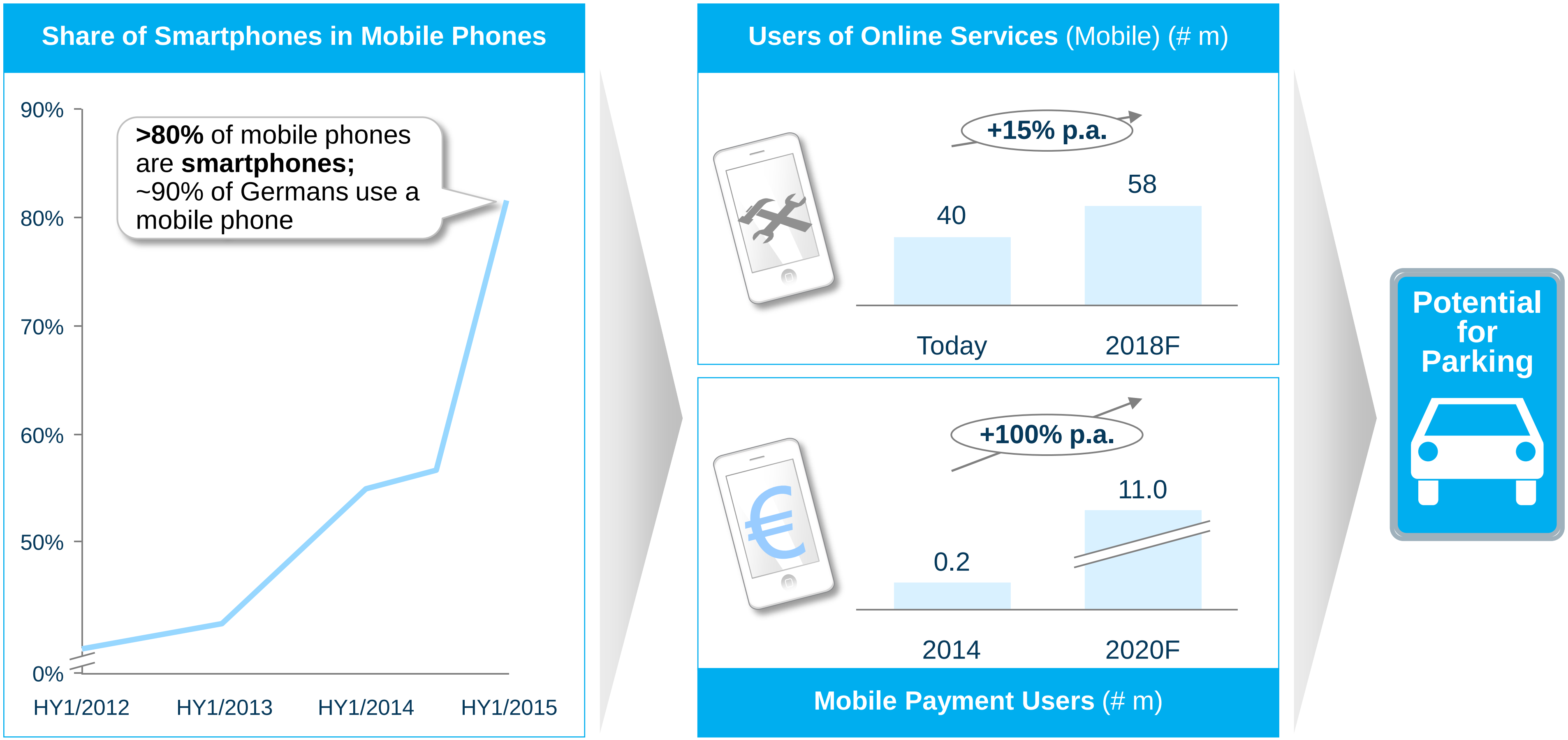
73% of the **German population** has **purchased online** in 2014

1. Including Mobile, Desktop/Laptop, and other connected devices

Source: KPCB; PNAS; Statista; eMarketer; IBM

The penetration of smartphones is driving all kinds of digital services – users are ready for Parking 2.0

Smartphone Penetration, Mobile Online Service and Mobile Payment Users, Germany



Source: Tomorrow Focus study; TNS Infratest; E-Marketer; PWC

Today's digital-affluent customers have high expectations towards digital parking solutions

Possible Customer Expectations – Examples

Online Information and Selection of Car Parks

Navigation to Spots

Possible customer expectations for digital parking solutions

Flight ticket-parking-bundle?

Car park-indepedent flat rate offer?

Loyalty programme?

Barrier-free parking?

Parking space sharing?

Online Reservation of Parking Spots

Digital Payment

Multiple parking offers are on the market, however are not delivering ample value to customers (yet)

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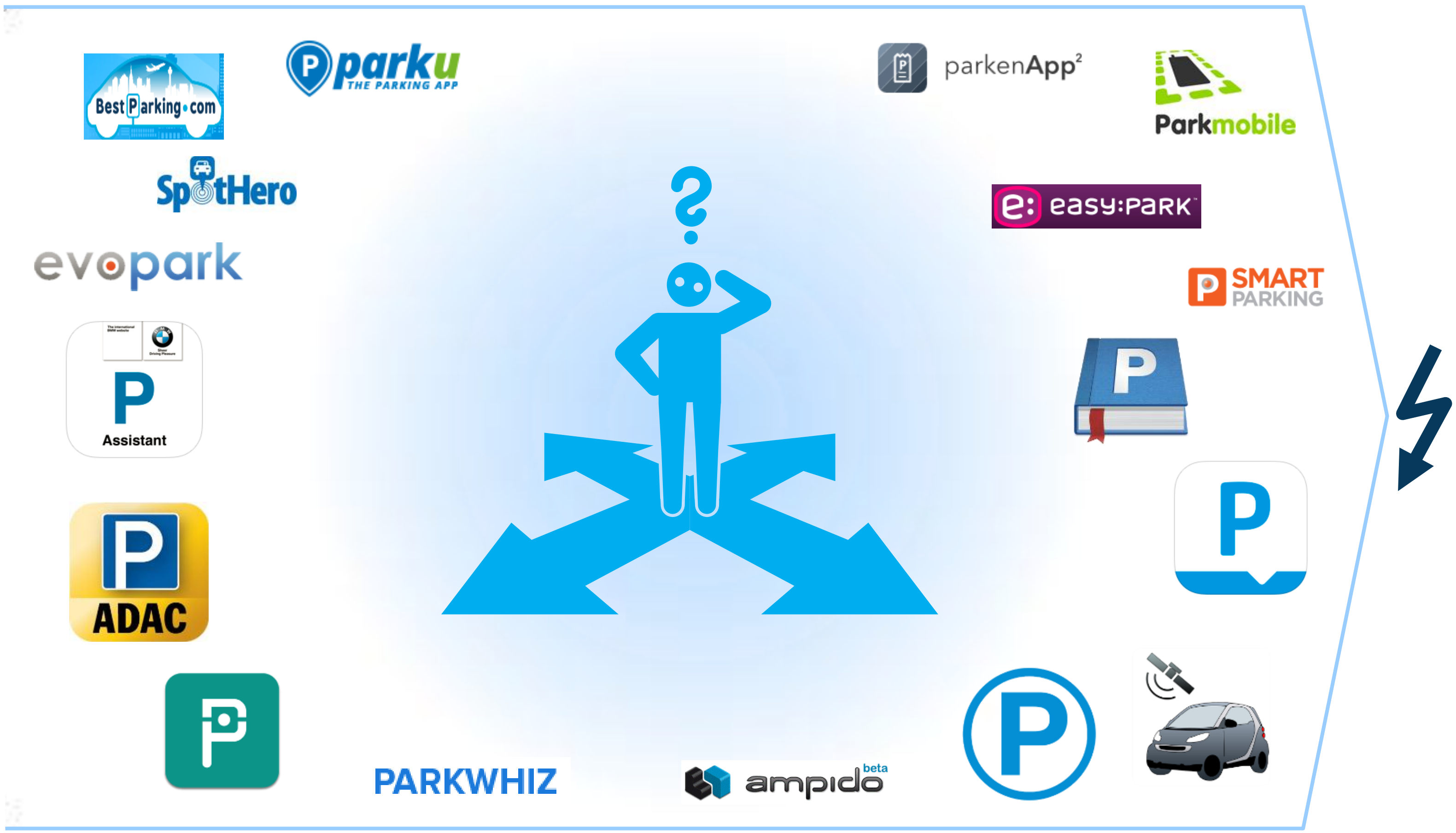
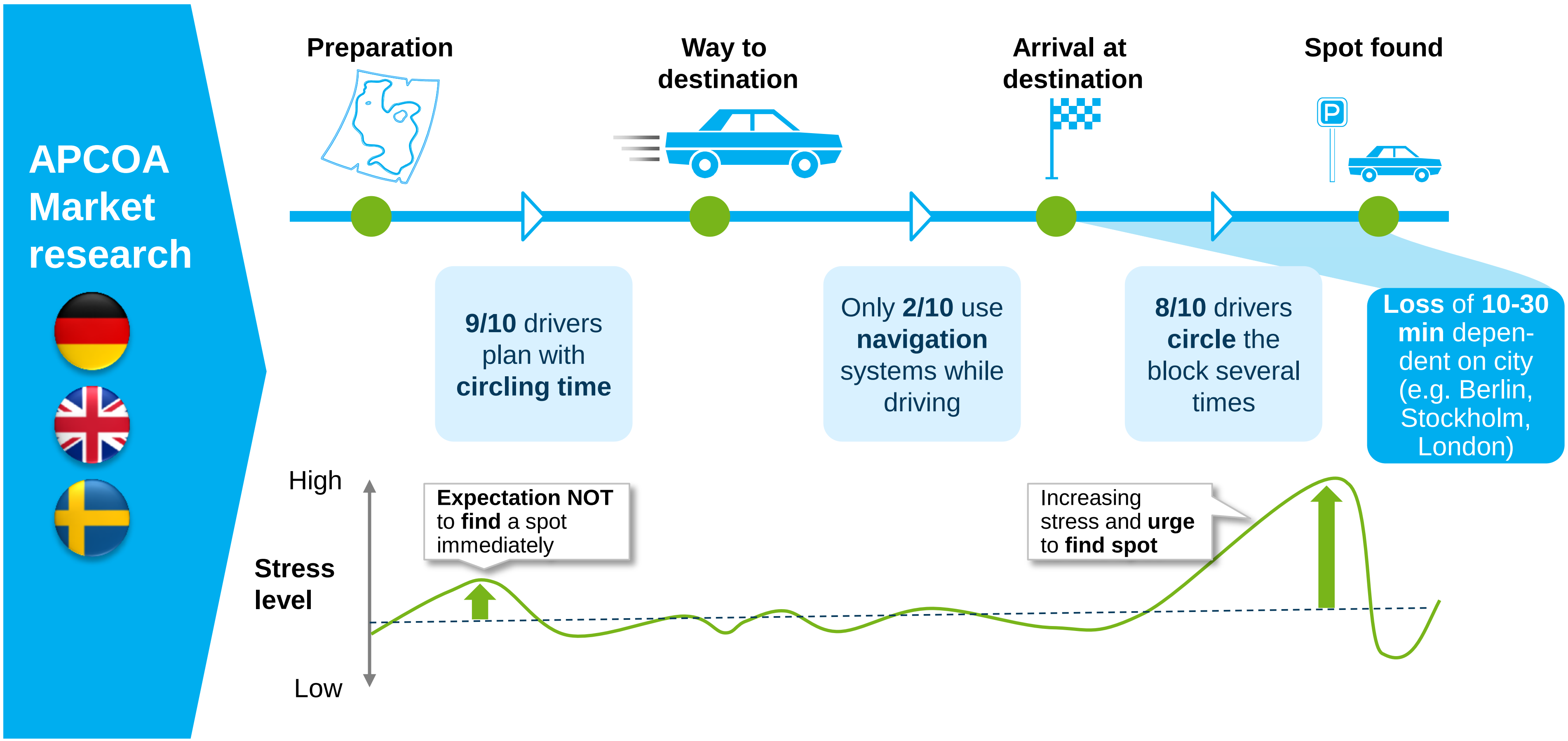
Examples Parking Platforms and Apps



- **Numerous players try** to **provide** a **maximum of customer value** but **lack of market coverage**
- **Isolated applications** only offer **partial value added** for customers

Result of APCOA market research: Customers are looking for a solution for the whole customer journey

Customer Journey Parking – Today



Customers are looking for a comprehensive and convenient digital parking solution

Specific Customer Requirements

Upfront transparency on parking situation
Information on availability, price, required time and parking alternatives

Comprehensive parking solution
On-street and off-street parking, car parks of competitors

Seamless parking experience
Time of arrival as expected, avoidance of unnecessary circling, short walking distance to final destination

Different pricing model offerings
Transaction-based vs. subscription model, bundle products, availability of mobile payment

Source: APCOA market research

The requirements for digital offerings are high – only an integrated solution along the full customer journey will win

Customer Journey – Required Functions

	Preparation	Way to Destination	Entering	Parking	Payment	Exit
Functions of integrated solution	■ **Transpa-rency** on available spots, dura-tion and con-ditions (on-street and off-street) ■ **[Reservation]**	■ **Optimised routing** to pre-selected spot or car park (on street as well as off-street)	■ Entering permission with **digital ticket** ■ **Barrier free** entering	■ **Guidance** to selected / free spot	■ **Automated payment** ■ Fraud-safety	■ **Guidance** to car ■ Exit permis-sion with **digital ticket** ■ **Barrier free** exit

Technological requirements

User interfaces (Webpage, App) **Tracking of empty spots** **Routing to spot**
Standardized interfaces to other systems **Reservation system** **Digital payment**

Full and Seamless Integration

Source: APCOA market research

We need to embark on a journey to fundamentally transform our business processes - this poses great challenges for us as operators

Implications for business model

Marketing / Customer Relationship Management B2C

Pricing / Yield Management

Product Strategy / Placement

360° digitalisation

Quality Management in Garages

Partner and Stakeholder Management

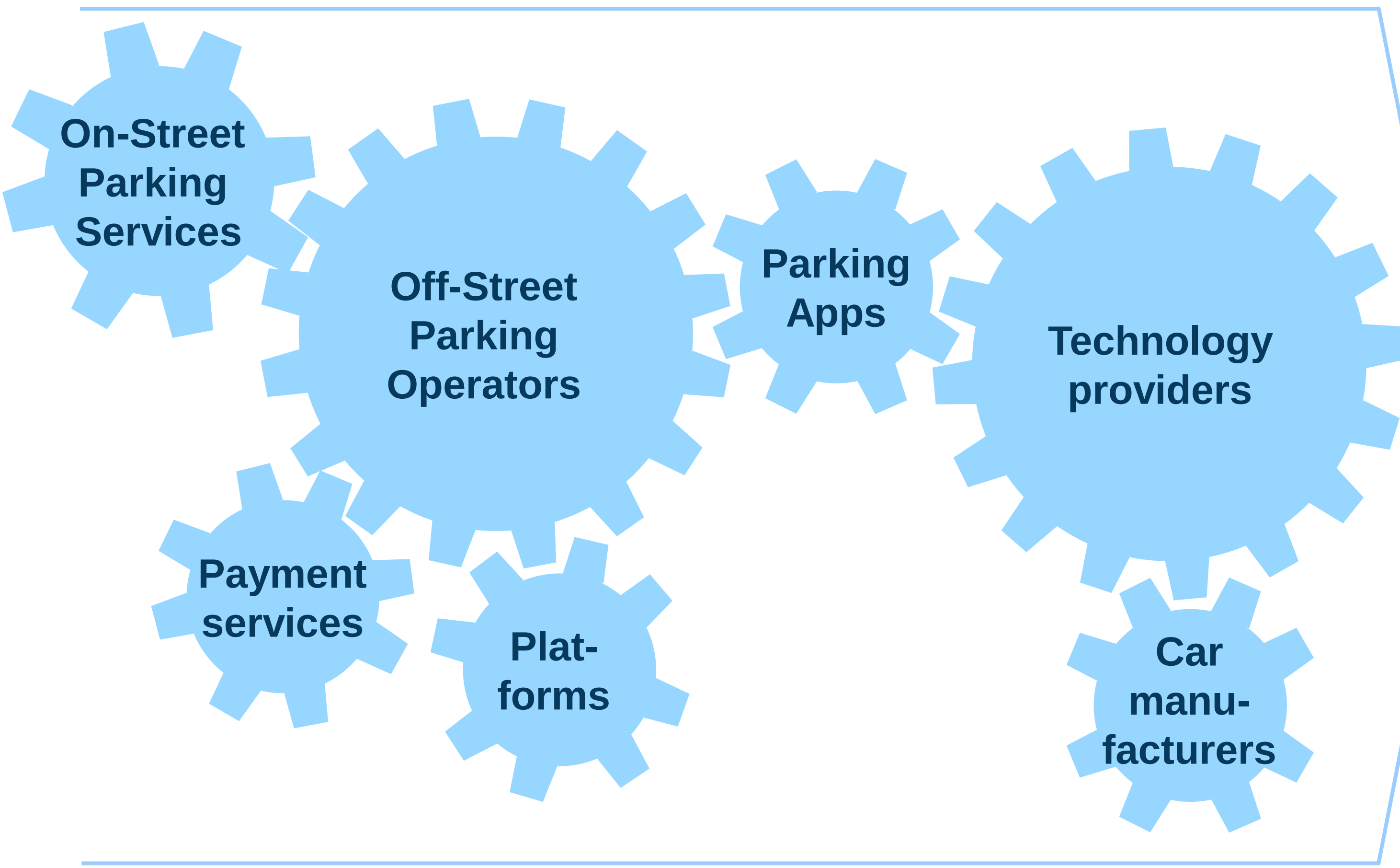
Data Management / Big Data / Data Protection / Data Security

Development of app is far from enough

- New digital processes entail a **revolution** of the **parking value chain**
- Parking operators require:
  - **business transformation** and **process optimisation**
  - strong **B2C orientation**
  - digital **know how** and IT **resources**

Operators will not be able to “solve the Parking 2.0” on their own – contributions from different stake-holders will be required in an integrated solution

Stakeholder and Elements of a Digital Car Park



The digital car park

- Web page
- App
- Reservation system
- Tracking of empty spots
- Entry / exit management
- Digital payment
- Standardized inter-faces to other sys-tems (eg navigation)
- Routing to spot

The cooperation between stakeholders is the way forward – and can even be actively driven by the parking operators

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Cooperation

Cooperation of Stakeholders…

Local authorities

Parking operators

Mobility market

Cooperation of stakeholders to provide true value added to parking

Technology providers

…and consolidated Mobility Know How

OPEN PLATFORM

Q-PARK, ParkNow, APCOA PARKING, parku, moovel

PARK TAG, evopark, JustPark, Parkmobile, easy:PARK, CAR2GO

Volkswagen, TOYOTA, DAIMLER, BMW, Flinkster

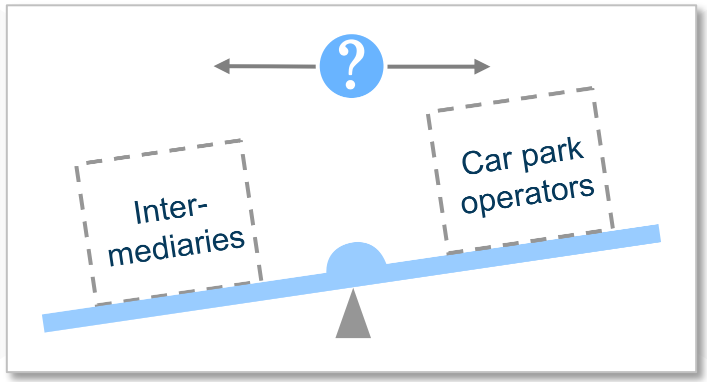
COOPERATION ?

Which cooperation offers best customer value? - Who wins the battle for the customer?

Threat from newly entering digital intermediaries

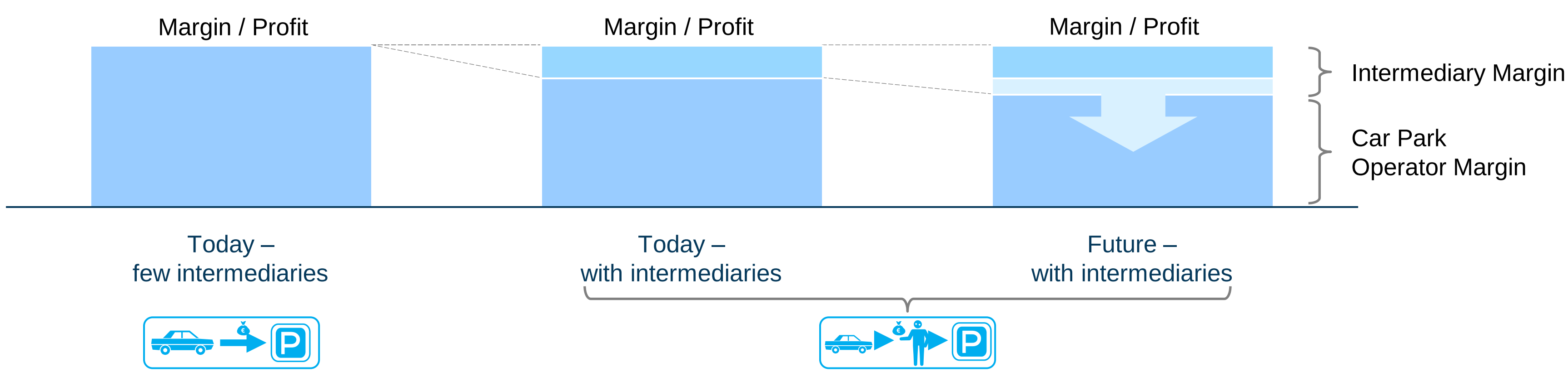
Start-Ups

parku THE PARKING APP
BestParking.com
evopark
SpotHero
PARKWHIZ



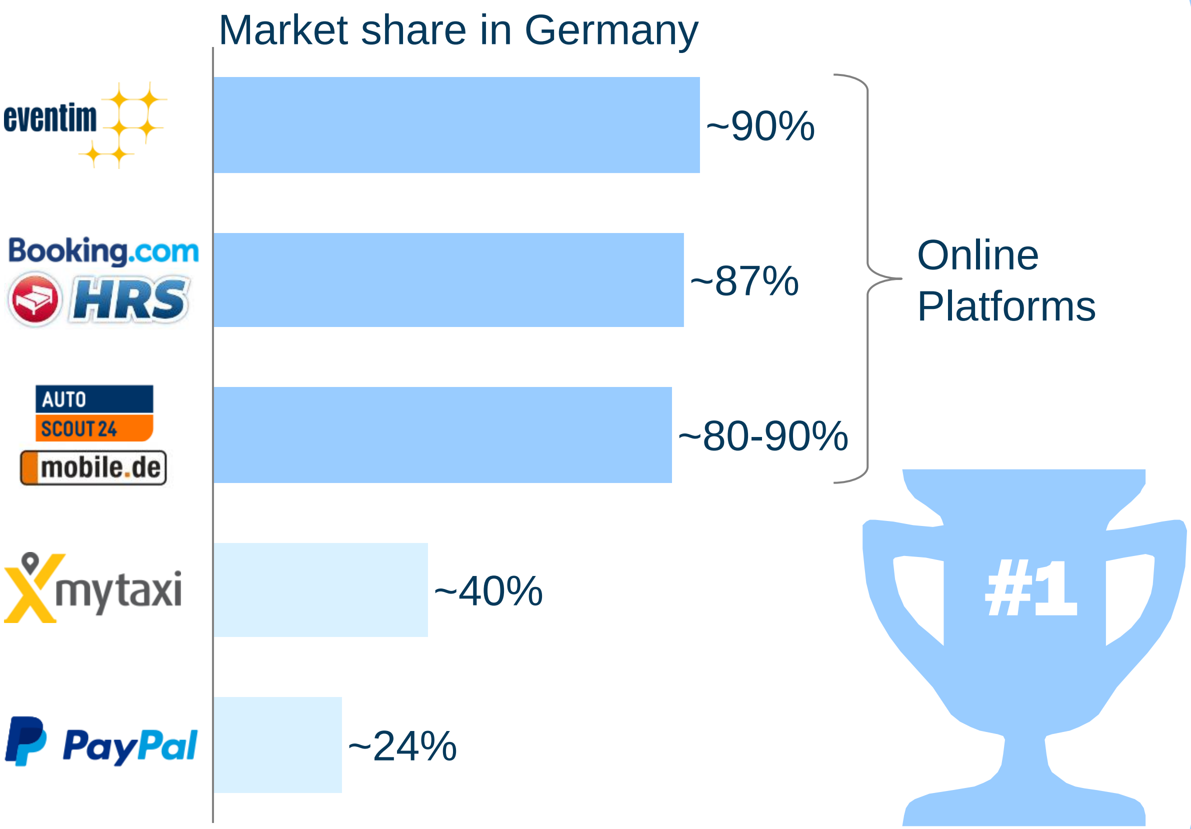
Established Players

APCOA PARKING
Q-PARK
VINCI PARK
CONTIPARK
InterparkingGroup
Flughafen München
BAVARIA PARKGARAGEN
Stadt Frankfurt am Main



Digital markets (especially online platforms) are already affected by strong consolidation tendencies – risk of being degraded to facility manager

Examples for “Winner Takes All” Digital Markets



- Platform owns the **B2C customer relationship**
- Growing **dependency** of operator from platform
- **Exchangeability** of operator
- Operators risk **loosing control** over their **business** and **pricing**
- **Customer loyalty** with **platform**, not operator

Source: AHGZ; deraktionaer.de; musikmarkt.de; wiwo.de; mytaxi.de; Estimate

Summary; digitalisation is going to disrupt parking and immediate action will be required by parking operators in form of cooperation and investments

Summary – Impact of Digitalisation on Parking

1. The **digital transformation** will **disrupt** the market for parking
2. Parking operators will either have to **actively drive digitalisation** or will likely be subject to consolidation
3. Digitalisation will comprise **360° of the business** and will affect **all core services** of parking operators far beyond building an app or any digital offering
4. No company will be able to face the digital transformation alone – **cooperation** and **digital ecosystems** will be required that can provide a **true value added** for customers
5. There is **no free lunch** from the digitalisation – **investments and resources** will be required by parking operators

Thank you for your attention.

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