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# Business mobility payments: On the road to change

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# Contents

# Executive summary

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**The driving and mobility needs** of corporate customers have always been more complex than those of private drivers. For example, businesses may require a diverse fleet ranging from passenger cars to light commercial vehicles (LCVs) and trucks. They may also need fuel cards and toll boxes, advanced telematics hardware instead of simple mobile maps, and multicurrency invoicing. In turn, these more complex and diverse business needs have sparked the emergence of an equally sophisticated mobility payments ecosystem incorporating fuel and energy cards, financial solutions, and mobility services. This ecosystem encompasses players that offer bundles of services as well as more niche participants with targeted offerings around, for example, fuel cards, toll on-board units (OBUs), and workflows.

In the coming years, we anticipate five major trends to affect this ecosystem: evolving powertrain technology, mainstreaming of electric and digital infrastructure, digitalizing of workflows and processes, shifting B2B payment experiences, and increasing instant and device-agnostic payments. At the same time, government regulations will continue to evolve and shape this developing market.

Although the impact of these changes will vary in timing and magnitude, we expect the B2B mobility payment landscape to look significantly different by 2030, albeit most likely remaining a separate vertical. This shift will affect every ecosystem stakeholder and the ways they interact with each other. As the sector develops, its post-2010 growth rate of about 6 percent will likely stay relatively constant as we head toward 2030, but sources of growth will shift significantly.

Most of the shifts we describe are medium to long term in nature, giving incumbents such as fuel card or toll payment providers some breathing room—but they will need to act quickly and decisively to take advantage of opportunities presented by the forthcoming changes. Conversely, payment players, automotive firms, and auto-fintech companies should consider whether they find this market attractive and accessible.

Based on our experience, payment providers in the mobility space will be well advised to prepare for the upcoming changes by engaging in four phases of reflection and adaptation: deciding on their role in the future ecosystem, ensuring they are ready to take advantage of the looming adjustments, adapting to these shifts by extending and reimagining their current business model to tap into new revenue sources, and—for generalist payment companies, automotive players, and start-ups—considering market entry.

# 1 The current payment ecosystem in the B2B mobility sector

How payments are made and received is changing in the mobility industry. Fleet managers, taxis, car-sharing services, and truckers are embracing digital and demanding more from the companies that provide their payment infrastructure—for example, digital now touches multiple aspects of a truck driver's journey (Exhibit 1).

This report focuses on B2B customers and differentiates between commercial road transport (CRT) and fleet customers. CRT includes mostly heavy- and medium-duty trucks that often operate across long distances and across borders, while fleet customers use passenger vehicles and light commercial vehicles

Exhibit 1

**Digital has an increasing impact on the typical customer journey for truck drivers.**

Before journey

**Pretravel vehicle maintenance:**
- Cashless payment of services
- Booking of workshop appointments
- Availability of spare parts

**Route planning:**
- Fuel station finder
- Vehicle service finder
- Web service or application for route optimization

On the road

**Fuel payment:**
- Cashless payment for fuel
- Pay at the pump
- In-vehicle payment

**On-site parking:**
- Cashless payment for parking
- Payment for services during parking (showers, food, etc)
- Reservation of parking slots

**Toll payment:**
- Automatic toll payment solution
- Availability of on-board units
- Europe-wide toll systems

**On-road vehicle maintenance:**
- Cashless payment of services
- On-road service stations
- Availability of spare parts

**Emergency services:**
- Cashless payment of services
- Emergency number
- Emergency on-road services

After journey

**Cost accounting and billing:**
- Automated cost accounting and invoicing
- Availability of online portal or software
- Mapping of costs to trips

**Automatic VAT[1] invoicing:**
- Automated refund of incurred VAT payments
- Integration of Europe-wide VAT systems
- Dashboard for overview and analyses

[1] Value-added tax.

(LCVs) to provide company cars for employees or to make local deliveries. B2B mobility providers thus operate as part of a complex ecosystem encompassing five broad types of service providers, each with a different value proposition (Exhibit 2):

— *Independent mobility and payment providers* such as E100, DKV, Radius, and Wex typically have broad product offerings, including fuel cards, toll solutions, and financial solutions.

— *Major oil and gas and electricity providers* such as Shell, BP, Lukoil, RWE, E.ON, and EnBW offer the same services as independent mobility and payment providers, but with additional upstream and downstream activities.

— *Specialized players* focus mostly on individual niches, including toll services such as Telepass, electric-vehicle (EV) charging such as Plugsurfing, financial solutions such as Eurovat and FDE, and mobility solutions such as Trimble and Instafreight.

— *Mobility providers* include OEMs such as Daimler and Volkswagen, rental companies such as Sixt, and freight forwarders such as Sennder.

— *Payment service providers* such as Visa, Mastercard, and AirPlus typically operate card-based solutions that work everywhere.

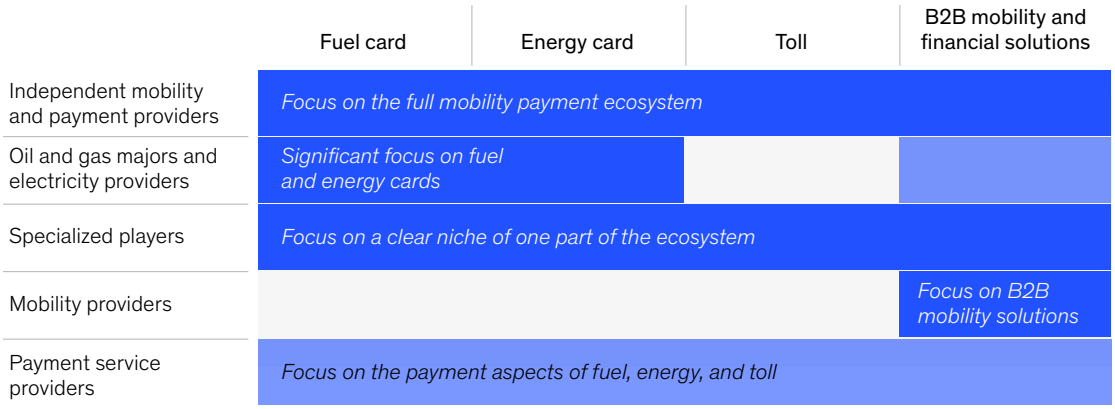
Importantly, service providers may also focus on standard use cases around fueling, maintenance, and toll payment, or they may offer more sophisticated and customer-tailored solutions such as value-added tax (VAT) refunds and telematics.

**Key business models in B2B mobility payments**

Overall, the B2B mobility payments market in Europe is expected to experience particularly strong revenue growth in the next few years, reaching a market size of €11 billion to €13 billion by 2025,[1] across three

Exhibit 2

## Different stakeholders have varying perspectives on B2B mobility value propositions.




[1] McKinsey analysis.

principal segments: B2B mobility and financial solutions, toll payments, and fuel and energy cards. In the latter segment, rapidly increasing demand for EV cards is expected to catalyze a projected 68 percent annual growth rate in the 2021–25 period (Exhibit 3).

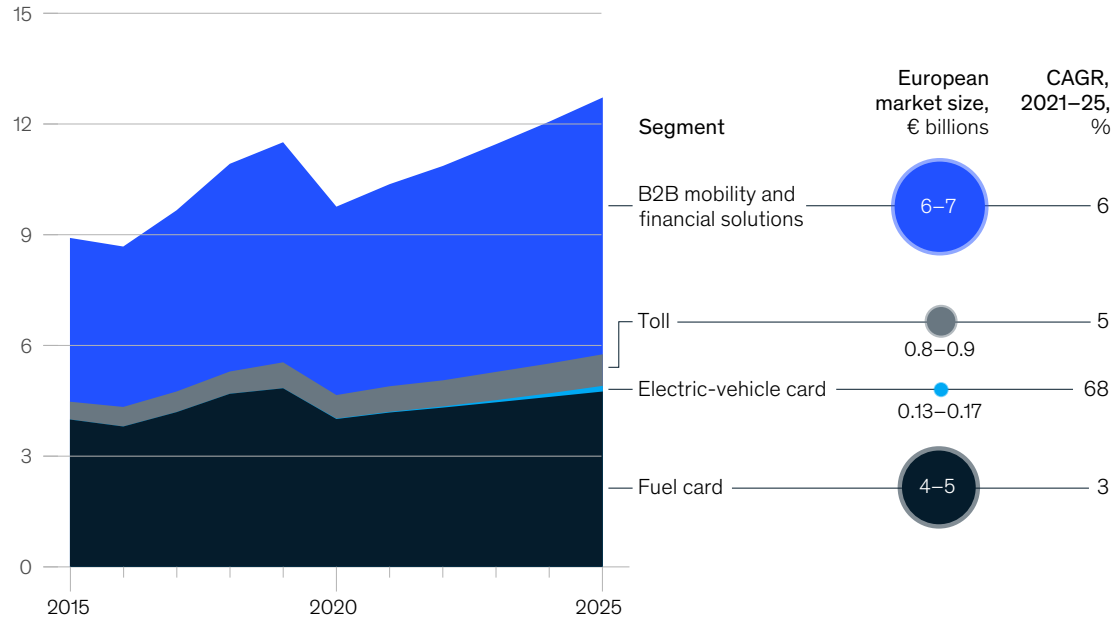
— *B2B mobility and financial solutions* are becoming increasingly important as providers look for new ways to create value for customers. Most providers offer a diverse set of services that can broadly be grouped into three categories: financial solutions (such as VAT refunds and vehicle insurance), vehicle services (for example, emergency services and parking), and digital solutions (for instance, telematics and digital freight). This market has considerable potential and is expected to grow at about 6 percent annually between 2021 and 2025. According to our analysis, total market value could reach approximately €7 billion by 2025. Digital solutions will drive most of this growth as fuel card providers look to harness their immense data resources to add value for customers through additional services. However, given the range of services that customers demand, the competitive landscape will continue to be fragmented, with many services provided by other ecosystem partners such as repair-shop chains or even technology giants.

— *Toll payments* have historically been a national prerogative, with little interaction between countries. However, as EU economies have become increasingly interconnected, this continued fragmentation has caused significant inconvenience for truck drivers, who deal with multiple tolling systems across the continent. The European Electronic Tolling Service (EETS) aims to harmonize electronic toll-collection. However, there is still a fairly low market concentration. The largest ranking players (DKV, Edenred,

Exhibit 3

## The European market for B2B mobility payments is expected to experience strong revenue growth in the next few years.

**European market size,** € billions




Source: McKinsey analysis


and Telepass) do not cover 50 percent of the total, for instance, with the largest one covering 15 to 20 percent of the market share in Europe.

The European toll market is expected to grow about 5 percent per annum between 2021 and 2025, reaching €0.8–0.9 billion.[2] Major factors in this market expansion include a rising number of vehicles subject to tolls, growing penetration of OBUs, increasing number of toll payments per vehicle due to the introduction of new toll roads, and higher toll charges. EVs are typically excluded from toll payments, but this is likely to change as market penetration increases. There is still a fairly high degree of market fragmentation around toll payments, partly because rollout of the EETS system is still under way. Additional toll system harmonization may lead to some consolidation among payment providers serving the trucking market but will have limited impact on fleets.

— *Fuel card and energy card payments* eliminate cash transactions, which offers multiple benefits, including theft protection, expense control, improved liquidity, cost transparency, and convenient invoicing. Accordingly, the European fuel card market is expected to grow by about 3 percent annually until 2025, reaching between €4 billion and €5 billion.[3] Key market factors contributing to this growth include increasing numbers of internal-combustion-engine vehicles (especially in the truck segment, which is less affected by ongoing electrification), growing fuel card penetration as providers focus on the underpenetrated segment of small and medium-size enterprises (SMEs), greater distances traveled, and higher fuel prices.

Many providers see the transition to EVs, which curbs demand for traditional fuels, as an opportunity, and have already started to offer energy cards suitable for EV charging. Consequently, the energy card market is expected to grow at a high double-digit rate over the next five years, reaching at least €150 million.[4] Both specialized players and independent mobility and payment providers are likely to experience these growth rates. However, the competitive situation in this market is still highly fragmented and evolving rapidly.

[2] Ibid.
[3] Ibid.
[4] Ibid.

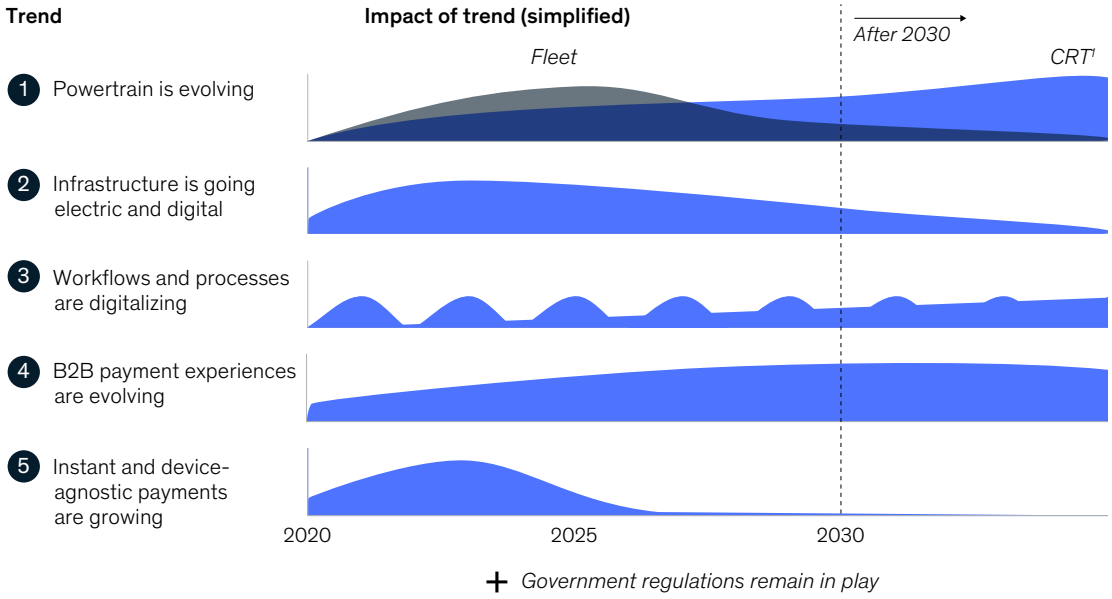
# 2 Five trends will shape B2B mobility payments by 2030

Five major trends will play out across the mobile payment ecosystem over the coming years. The timing and magnitude of these changes will vary (Exhibit 4), but the combined impact will mean significant shifts for B2B mobility payments. Additionally, regulations will continue to evolve and play a significant role in shaping the ecosystem.

**1. Powertrain is evolving in both commercial vehicles and fleets**
Rapidly evolving technology has turned EVs into a convenient and more environmentally friendly mode of transportation, leading to a boom in EV sales in recent years: global sales increased 79 percent to 5.1 million vehicles in 2021, according to McKinsey analysis. Market expansion is propelled by increasing public awareness of environmental issues, financial support from the government, and ambitious commitments by large fleet owners to reduce their $CO_2$ emissions.

Exhibit 4

**Five major trends will play out in different ways across the mobile payment ecosystem.**




[1] Commercial road transport.
Source: McKinsey analysis

Although EV adoption started with passenger cars, penetration is now starting to add share in the LCV and CRT segments, where EV trucks of all sizes are increasingly used for last-mile delivery. For long-haul trucks, two key factors have determined EV adoption. First, range remains an issue because EV battery capability remains too limited for long-haul use. Second, total cost of ownership (TCO) is also an important aspect: the McKinsey Center for Future Mobility expects that heavy-duty EV trucks will achieve TCO parity with diesel by 2030.[5]

Fleet electrification is already altering the payment landscape because EV charging behavior is biased toward at-home and at-work charging stations, which require mobility and payment providers to take different approaches.

**2. Infrastructure is going electric and digital**

Infrastructure such as gas stations and toll booths is becoming ever more critical—and coming under increasing strain—due to increasing numbers of vehicles on the roads. However, EV uptake means that the focus on investment is shifting swiftly toward charging stations. Today most EV charging is done at home, but the availability and convenience of publicly accessible chargers will be crucial for complete electrification of vehicle fleets.[6] EV charging requires more varied infrastructure than traditional fueling. Common road charging (for instance, at a gas station) needs to be complemented by charge points at work, at home, and in public areas such as supermarkets. Additionally, each location may require a different type of charging station, ranging from rapid charging (150 kilowatts or more) at a station to overnight charging at home (under 22 kilowatts). It remains to be seen how this asset-heavy business will develop, given that infrastructure density depends heavily on use.

Another trend in infrastructure investment is tolling and telematics. Increasing supply chain complexity has led to a step change in the need for telematics software. Shipment professionals are making significant investments to increase transparency around their fleets, and satellite tracking allows them to obtain real-time information about any vehicle—even in remote or badly connected areas. Telematics will also lead to more flexible pricing in the growing tolling market as satellite tracking enables pay per use, for example.

**3. Players are digitalizing workflows and processes**

Increasingly, truck and fleet users are seizing the opportunity to digitalize internal workflows, and the COVID-19 pandemic has accelerated this trend. Digitalization and expanded gathering and use of data can increase efficiency, reduce costs, and unlock additional customer service opportunities. Indeed, digitalization is no longer just a "nice to have"—unprecedented competition means that commercial customers cannot afford to be less than agile and highly digitalized. With the rise of freight-forwarding platforms, the transport and payment sectors are drawing closer to one another. Freight-forwarding platforms work as intermediaries between freight companies and those requiring transport services. Initially, the platform matches a customer with a logistics supplier and then the platform manages financial flows between the two parties, including settling payments.

As businesses become fully digitalized and amass data, they can generate value by rethinking several different processes. For example, they can reduce costs through changing the specifications of vehicles, optimizing processes in delivery and loading and fleet and route management, and customized insurance and leasing offerings. They can also increase safety and security by reducing intervention time, using data

[5] Bernd Heid, Russell Hensley, Stefan Knupfer, and Andreas Tschiesner, "What's sparking electric-vehicle adoption in the truck industry?," McKinsey, September 26, 2017.
[6] Stefan Heldmann, Florian Nägele, and Felix Richter, "Shaping the future of fast-charging EV infrastructure," McKinsey, October 25, 2021.

to prevent accidents and vehicle breakdowns, and implementing appropriate data-handling and data-protection procedures.

Larger fleet and truck providers such as OEMs or operators are increasingly ready to invest in and deploy the sorts of products and services that can generate value from their digitalized and networked vehicles. Smaller providers and operators may prefer turnkey (end-to-end) solutions. Either way, these advancements are opportunities for mobility and payment providers to win customers and build loyalty by offering a suite of digital mobility and financial solutions.

**4. Retail payment experiences are driving B2B payment experiences**

Customers' personal payment experiences have changed markedly in recent years, with payment services such as those provided by PayPal and Apple Pay now seen as more secure and convenient. B2B customers expect a similar level of service in their day-to-day activities. Although B2B payment solutions have not changed as much as B2C payments, pioneers such as Uber and Free Now are modernizing. These providers both offer a user-friendly customer interface and a highly automated back end that handles complex payment processing and automatically interacts with the selected payment provider. The smooth customer experience has led to a surge in popularity for both companies, mostly at the expense of traditional taxis.

However, digital payments are just the beginning. Increasingly, technology and growing data availability will enable the industry to provide new payment methods and expanded services that offer the ability to buy now and pay later, lend, or even offer credit. Service demands will differ by type of customer: a logistics CFO might track spending and locations in real time on a tablet device, while truck drivers might use virtual cards in their Apple Pay or Google Pay digital wallet.

**5. Payment technology is becoming instant and device-agnostic**

B2B customers want a seamless and integrated payment experience across various devices, just as they have in the B2C space. As such, pay-at-pump and digital wallets are increasingly hot topics in the B2B world. Pay-at-pump and in-vehicle payments eliminate time spent at the counter for fueling and EV charging. These payment methods also obviate the need to wait for the charged amount to appear on bank statements, as is the case with traditional fueling. These changes, though relatively minor, have a positive impact on the overall customer experience.

Meanwhile, digital wallets are on the rise and are no longer exclusively tied to smartphones; vehicles themselves can now be digital wallets. Payment providers and platforms such as LogPay are investing in a cloud-based payment ecosystem that includes car manufacturers, utility providers, retailers, and financial-service providers.

This has two implications. First, much of the specific use of fuel cards and toll payments can be handled by other mechanisms. For instance, a virtual credit card that works only with fuel and toll payments can be accepted everywhere and provide analytics directly. Second, this will not cover everything. For example, VAT invoicing is still easier with dedicated payment instruments, while limitations with mobile networks (for example, in tunnels, remote charging stations, and border crossings) make it unlikely that instant mobility payments will always work seamlessly everywhere—sometimes a physical instrument will still be required.

**Regulation will continue to shape the ecosystem**

Government regulations determine many aspects of payment developments in the B2B mobility market. Looking forward, however, we do not expect regulatory activity to be a major disrupter. Instead, regulations—surrounding payments in general and niches such as tolls and EVs—will probably facilitate and accelerate the aforementioned trends. Examples of important forthcoming regulations include:

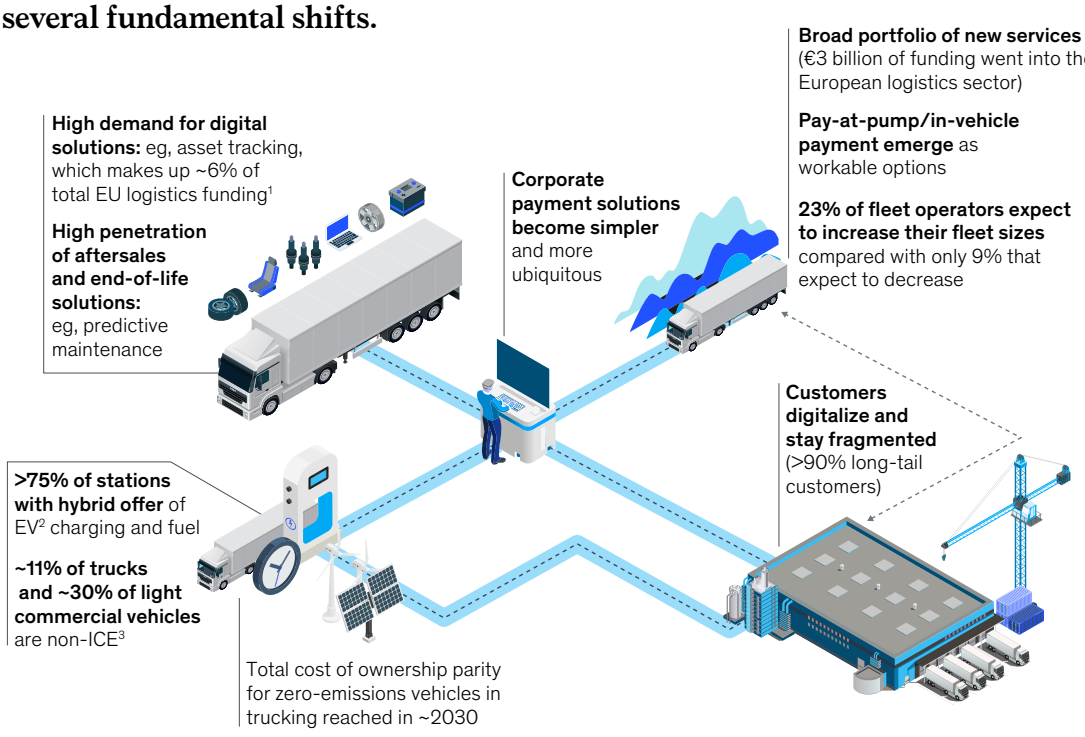
— The EU Commission's planned revision of its Payments Service Directive is expected in 2022. This is the beginning of a longer journey toward freer movement of data, which will allow B2B mobility players to generate value by using data from other industries.

— The European Union continues to harmonize European toll systems to ensure that a single OBU is compatible with all electronic toll operators. As already noted, however, the rollout is ongoing and there is no clear indication of when it will be fully operational.

— Continued regulation and government subsidies will provide incentives for the adoption of sustainable solutions, including electric and hydrogen powertrains.

Exhibit 5

## European B2B mobility players will face several fundamental shifts.




[1] Received funding of total logistics funding pursued 2010–21.
[2] Electric-vehicle.
[3] Vehicles without internal combustion engine include technologies such as electric vehicles, fuel-cell EVs, and hydrogen EVs.
Source: McKinsey analysis

In examining these various trends, it is clear that there will be fundamental shifts in the payment ecosystem for European B2B mobility players (Exhibit 5). For a comparison with the United States, see sidebar "Payments in B2B mobility—a US perspective." That said, these will generally be medium- to long-term shifts. Also, it seems just as likely that B2B mobility payments will remain a separate vertical, similar to B2C mobility payments or B2B business travel. Of course, the sector will be more digitally integrated with the world at large. This relatively gradual transition offers incumbents breathing room, though they will still need to act quickly to endure—and even thrive within—the upcoming changes. (To see how these changes are affecting one European company, see sidebar "Interview with Marco van Kalleveen, group CEO of DKV Mobility.")

## Payments in B2B mobility—a US perspective

**The situation across** the Atlantic is similar to that of Europe, though with subtle differences.

**Powertrain evolution will operate at scale later in the United States than in Europe**

The US commercial vehicle fleet, which consists of approximately 11 million Class 3–8 trucks, is expected to achieve deepest electric-vehicle (EV) penetration among light commercial vehicles (LCVs) and medium-duty trucks. The share of new EV sales is expected to approach 40 percent in these classes by 2030 and close to 100 percent across all classes by 2050. Improved technology will propel high penetration, which will lead to cost parity for urban and regional fleets within ten years. In the following decade, EV usage will be propelled by fleet growth and rising demand for last-mile delivery. Overall, however, EV adoption will be slightly lower than in Europe because of greater daily driving distances, lower diesel prices, and less stringent regulation.

**Advanced payment experiences will emerge through harmonization of interstate toll payment systems**

Several of the key factors pushing demand for digital solutions in the United States parallel those in Europe. Perhaps most obviously, the COVID-19 pandemic has hastened the shift to digital-first preferences among B2B customers and accelerated adoption of both EVs and new payment technologies.

As in Europe, the emergence of peer-to-peer payment experiences is driven by innovative companies such as PayPal, Venmo, and Uber, which are changing customer awareness of such possibilities. And, as with the European Electronic Tolling Service (EETS), the United States is also seeing emerging solutions—including Trucker Path and Verra Mobility—that consolidate differing interstate toll payment rates and systems to reduce the overall administrative burden.

Another area ripe for change in US payments is the adoption of closed-loop payment networks, which use stablecoins[1] or alternative digital currency. This expedites the exchange of funds by eliminating the need for funds to pass through a clearinghouse and removes "fee friction," generating savings that can be invested in the business or passed on to customers in the form of rebates.

**Regulation is further driving digitalization**

US federal regulations—including the Electronic Logging Device Rule and Food Safety Management Act—combined with shortages and high turnover rates for truck drivers have led to increased use of AI technology to gain insights into optimizing routing and fuel consumption, improving preventive maintenance flagging, and other areas. Taken together, these trends provide incentives for fleet managers and OEMs to invest in digital and connected processes and assets.

Trending opportunities in the United States broadly mirror those in Europe. The industry leaders among fleet OEMs, fleet managers, and fleet service providers will be those that package services to deliver an improved one-stop customer experience, drive operational efficiencies, and capture emerging profit pools.

[1] Stablecoins are cryptocurrencies that seek to peg their market value to an external reference.

## Interview with Marco van Kalleveen, group CEO of DKV Mobility

**We sat down** with Marco van Kalleveen to get his views on the evolution of the B2B mobility payments sector.

**McKinsey:** What does the future of the sector look like?

**Marco van Kalleveen:** People and goods will always need to move from A to B, and DKV supports them in doing so. The emergence of EVs [electric vehicles] in the mobility space is changing fueling and charging, which brings new players and suppliers to the mix, creating a more fragmented and complex landscape. So far, this primarily affects passenger cars. DKV has worked to reduce this complexity for our customers with the help of digitalization and is offering new and innovative services. In such a large ecosystem, however, no one player is large enough to stand alone. Together with our current and prospective partners, we will help our customers to be more effective, efficient, and sustainable. EETS [the European Electronic Tolling Service] is just one example of what partnerships can achieve.

**McKinsey:** What is the impact of sustainability and green mobility on your business?

**Marco van Kalleveen:** Sustainability is at the forefront of our business, and we see our green mobility proposition as particularly promising. For example, DKV has included electric and hydrogen-powered vehicle options into our energy card offering, and now we have one of the largest EV charging networks in Europe. We, as a society, must reduce $CO_2$ emissions, and technological advancements mean that the mobility and transport sectors have many opportunities to assist in this endeavor. The proliferation of EV charging stations, for instance, is an important step toward greener mobility, and growing data availability empowers fleet managers and dispatchers to increase efficiency and lower emissions. Change is accelerating. Tesla, for example, didn't exist 20 years ago, and overall, the current shifts in the mobility landscape are the largest that we have seen. There is more to be done, however, and DKV sees this as an opportunity. We are ambitious about the role our company plays in this space.

**McKinsey:** How do you think the market for transportation will develop?

**Marco van Kalleveen:** Transport networks in Europe, which is the most significant transport market in the world, will need to become more efficient and sustainable. There is considerable space to do so. Digitalization will be a critical lever due to its ability to tackle multiple system-level inefficiencies, as well as to offer individualized solutions for specific use cases. With a more complex transportation industry, the burden of administration and coordination increases. No one integrated solution can manage all this complexity, but we will see the emergence of sophisticated solutions that can assist with specific goals, such as smart fleet management. These solutions will help transport companies manage complexity with sustainability and efficiency.

*Comments and opinions expressed by interviewees are their own and do not represent or reflect the opinions, policies, or positions of McKinsey & Company or have its endorsement.*

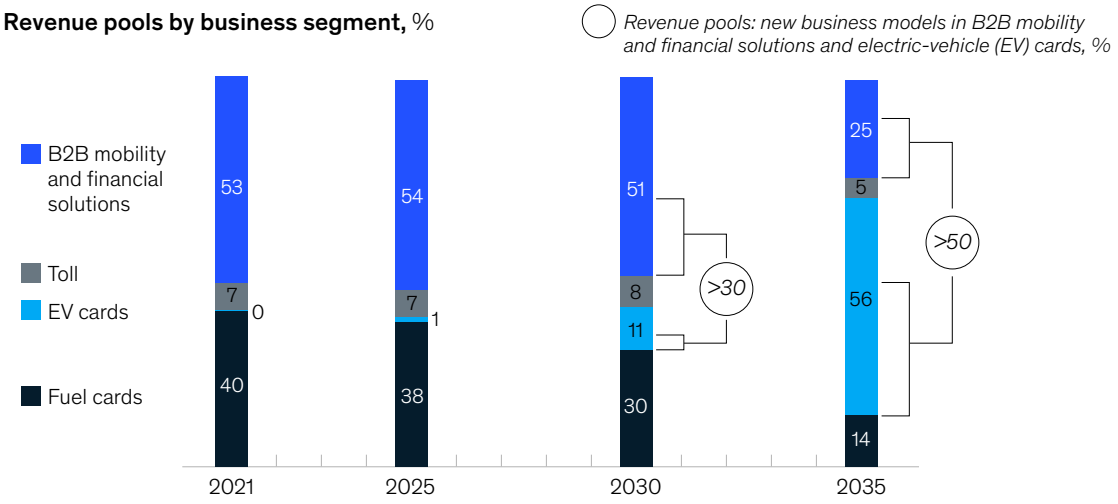
# 3 How to win in B2B mobility payments

As we have seen, new trends in the B2B mobility payments sector will change how corporates drive and pay by 2030. As a result, we estimate that new opportunities will account for about 30 percent of total future revenue pools, driven by alternative powertrains and new sources (Exhibit 6). Nevertheless, there are indications that the market will remain somewhat segregated, which will provide incumbents such as fuel card or toll payment providers with a positive market growth outlook. That said, the overall market size and growth may also attract additional attention from more generalist payment and automotive players.

To tap into these new revenue pools, players would be well advised to work through four phases of reflection and adaptation. First, they can identify what is likely to be needed in the future ecosystem and decide what role they wish to play. Second, they can prepare themselves to take advantage of the upcoming shifts—

Exhibit 6

**By 2035, more than 50 percent of revenue will be generated by electric-vehicle cards and new business models in B2B mobility and financial solutions.**




Note: Figures may not sum to 100%, because of rounding.
Source: McKinsey analysis

Players will need to analyze how they can maintain or even improve their offerings and competitive position in a world of alternative powertrains, a different mobility infrastructure, fully digital SMEs, and device-agnostic instant payments.

especially alternative powertrains, digitalization, and the increasing use of big data. Third, they can consider how to introduce new revenue sources, even if this means disrupting their current business model. Finally, generalist payment companies, automotive players, and start-ups should also consider entering the market.

**1. Choose a role in the ecosystem**

As a first step, all players—whether they are looking to gain market share or cement their leading position—should think critically about their current value propositions, especially in light of the five trends as outlined. Specifically, they will need to analyze how they can maintain or even improve their offerings and competitive position in a world of alternative powertrains, a different mobility infrastructure, fully digital SMEs, and device-agnostic instant payments.

One way for well-positioned companies to play a bigger role in the ecosystem is to broaden their offerings along the customer journey. They might look, for example, to extend travel via B2B booking providers, offer in-car payment solutions with OEMs, or double down on EV charging through cooperation or construction of EV infrastructure. In many cases, this could lead to an aggregator role, in which the provider bundles the services of numerous partners into one seamless customer experience. One example is to build a national or international network of EV chargers.

Players whose current core business model is under threat—perhaps due to the shift from physical toll barriers to connectivity-driven vehicle tracking or the move from fuel cards to broader cobadged corporate cards—might consider becoming suppliers to an external ecosystem or even exiting the sector altogether.

**2. Take advantage of the evolving industry**

We estimate that 25 percent of revenue opportunities in 2030 will be driven by alternative powertrains, which means that players will need to double down on these newer sources of propulsion.

More broadly, companies would be well advised to keep pace with their competitors in terms of technology, infrastructure, and customer relations. Technology developments in payment form factors, for example, could require companies to shift from a closed-loop to an open-loop card scheme or to improve API

connectivity to easily link to other devices and services. Specific changes to service offerings will depend on market segments: players with fuel card platforms, for example, may need to extend their offerings to include EV services and additional critical complementary services.

Additionally, environmental, social, and governance (ESG) issues are increasingly important, both to customers and as value drivers. Companies can assess whether they are doing enough across these lines and how to distinguish themselves from their competitors. As ESG tracking becomes a requirement, for example, B2B mobility customers face an administrative burden to capture, analyze, and report ESG data. Vehicle-related emissions make up a significant portion of total emissions in the transport sector, and B2B mobility providers have an important role to play. New automated services that track a vehicle's ESG performance could provide the data needed to add value to customers—by fulfilling regulatory requirements to optimize emissions—and lower overall industry emissions.

**3. Consider new revenue sources**

In addition to alternative powertrains, we expect that new revenue sources will make up 10 to 20 percent of future B2B mobility payments. Areas with the most promising potential include the following:

— *New financial solutions.* Energy payment cards can significantly lower working capital requirements, as can broader services such as factoring.[7] By providing such services, B2B mobility players can access new, high-margin revenue sources and increase customer loyalty and retention.

— *New mobility solutions.* These solutions could apply to various travel modes—including private cars, public transportation, bicycles, e-scooters, or shared cars—as well as to broader services such as maintenance or insurance. They have significant revenue-raising potential, but implementation requires meaningful effort. The growing number of different mobility solutions and services is also increasing market complexity, which creates additional opportunities around the integration of multiple services along the customer journey. This sort of complex integration represents a logistical and strategic challenge for B2B mobility players, but those that succeed will reap abundant benefits.

— *Broaden corporate payment offerings.* Fuel cards have already helped to make payments for fuel and vehicle-related services much more convenient. However, there are many additional services in the corporate payment space that offer potential for even more streamlining of the customer experience. One example is general expense management, which typically consumes ample time and effort. Automated expense management, which connects expense tracking with credit cards, could add significant value. Travel booking may also be ripe for further evolution. B2B mobility players that can integrate the search, booking, and payment processes can win—and retain—new customers.

— *Consider vertical integration.* The customer payment journey involves many different steps, which are mostly processed by different players and companies. The company responsible for the payment terminal, for example, is generally different from the card issuer and payment processor. We are detecting a trend toward vertical integration along the payment process, from issuing the payment vehicle to final payment data processing. This integration leads to greater control of the payment value chain and higher margins.

[7] Factoring involves selling accounts receivables to a third party at a discount.

### 4. Consider market entry

While existing B2B mobility payment specialists are well positioned to capture these opportunities, generalist payment companies, automotive players, and start-ups should also think about entering the market. Elements to consider include the following:

— *Weakening of existing market-entry barriers.* In general, all-purpose payment methods such as credit cards or digital wallets are capable of replicating many of the uses of dedicated fuel cards and toll payments, especially in an EV setting. That said, market entrants may need to put in additional work on other factors, such as VAT invoicing, simplified pricing, and offline use.

— *Ability to build a platform and shape the ecosystem.* Major growth areas, especially related to EV charging and additional digital services, are scaling up throughout Europe, with multiple players entering this market. This presents an opportunity for payment and automotive players to use their existing assets and infrastructure to strategically position themselves in the field.

— *New business models with high potential.* The trends highlighted above are driving changes within B2B mobility payments and could disrupt business models. Whereas fuel cards mainly operate on a price advantage per liter of fuel, EV cards could operate on a monthly fee basis. Moreover, additional services such as fleet management could be billed monthly. Combined with a flexible offering for B2B customers, this could lead to a service subscription model similar to those we already see in other areas—for instance, charging-as-a-service and truck-as-a-service.

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Overall, the B2B payment mobility sector is likely to grow significantly in the coming years. However, the sector will have to contend with many of the major trends reshaping the global economy, including technology and digitalization, the growing importance of environmental issues, and a variety of sector-specific shifts. While the brunt of the impact is not likely to be felt before 2025, the companies that win in this emerging ecosystem will be those that act swiftly and decisively by understanding forthcoming shifts and adapting accordingly.

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