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Subject: Prediction: Massive decline in auto sales forthcoming

At my [Abundance 360](#) Mastermind this January 2017, one area I'll be focusing on is: the massive implications of Autonomous Vehicles – how they will impact real estate, retail, hotels, airlines, energy and petroleum, entertainment, etc.

But of all of the industries impacted by autonomous cars, none will be disrupted more than the traditional automotive manufacturing industry.

This blog is a look at three forces that could decrease the automotive marketplace by a factor of 10 or more.

The three forces are:

- 1) Introduction of “Car as a Service”: An “autonomous Uber” (or equivalent) will be 10x cheaper than owning a car
- 2) Entrance of Tech giants into Automotive Manufacturing: Companies like Apple, Tesla, Uber and Google are entering the automotive arena, and have the potential to do what Amazon did to Barnes and Noble.
- 3) The Impact of Virtual Reality: VR has the potential to reduce travel demands, and the need to get in a car to go places.

Unless the traditional automotive players acknowledge the coming changes and experiment and invest, they have a very turbulent road ahead.

See Page 2 and 3 of Peter’s for more Autonomous Cars & VR

(1) “Car as a Service” – The impact of Autonomous Ubers

Fully autonomous cars will result in a shift from "buying and owning" a car, to "car as a service" (CaaS).

No longer will you buy a car that sits in your driveway or office parking lot, unused 95% of the time.

Instead you'll use CaaS where you "subscribe" to a fleet of autonomous cars. The result is greater ease, more variety and lower costs:

- Greater Ease: When the density of these vehicles reaches critical mass, you'll be able to hail a ride in 60 seconds. You won't need to deal with upkeep, repairs, or fueling. You'll have no insurance costs and no parking fees.
- Variety: You'll have access to a wide variety of cars, from SUVs, to sports cars. Up late on Sunday night? You'll be able to order up a Car with a bed on Monday morning. Or perhaps, a car with a conference table for meetings, or maybe even a Jacuzzi car? The car you choose can be functional to your needs.
- Cheaper: Uber is diligently working on autonomous vehicles. Remove the cost of the driver, and an electric, autonomous uber has the potential to be 10x cheaper than the average ownership of a car in America today.

Implications: But beyond these points, there are a number of other Interesting Implications:

Increased Safety/Reduced Death Rates: Today about 32,000+ motor vehicle deaths occur per year in the U.S. Auto-accidents remain the leading cause of death for children younger than age 13. Soon these deaths will go away. McKinsey predicts autonomous vehicles could reduce US auto accidents by 90%.

City Revenues Plummet: If you're in the City accounting office, autonomous cars are not good news. Revenue from speeding/traffic tickets and parking meters will disappear.

Regained Parkland: In LA county, where I live, over 14% is used for parking, about 200 square miles. McKinsey suggests "Autonomous vehicles could reduce the need for parking space in the U.S. by more than 5.7 billion square meters." Imagine reclaiming this land for parks or housing.

But what if you enjoy owning a car? No problem. In that case you can take advantage of the opportunity recently described in Part-2 of Elon Musk's Tesla master plan. You can buy an autonomous, electric Tesla that drives you around, but when it drops you off, you can have it earn you money by contributing it to the fleet of autonomous vehicles patrolling the streets.



(2) Tech Giants Displace traditional automotive players

When you think of traditional players in the automotive industry, you probably think of Toyota, GM, Volkswagen, Hyundai, Ford, etc.

Well... these companies were built back when cars were just machines.

Today cars aren't just machines; they are mobile computers.

And companies like Tesla, Apple, Uber and Google, are entering the scene with a fresh perspective and powerful balance sheets flush with cash.

Tesla and Uber are both startups that are reshaping the industry.

Tesla's Model S was voted "best car every tested" by Consumer Reports (full disclosure I have a Model S and Model X, and they are the best cars I've ever driven).

Uber has completely validated the CaaS/on-demand model, growing to a \$66 billion valuation in under 6 years. They've had over 1 million drivers sign up to the platform, and have expanded to over 300 cities.

But this is just the beginning.

Most importantly, technology giants Google and Apple are working on cars. Both of these companies have many times disrupted adjacent industries. Google's autonomous cars have already driven over 1.5 million miles. Apple's Project Titan has attracted top talent. Both companies have the brand, the technical expertise and the multi-hundred-billion-dollar balance sheet needed to re-invent the old school automotive marketplace.

Of course, beyond these players, there are a number of small startups launching every year to tackle the autonomous driving challenge.

See page 3 for more of Peter's Blog on VR



(3) Virtual Reality Means I Don't Need a Car (As Much)

Finally, there is one more exponential technology trend that will impact today's automotive manufacturers – the rapid rise of the Virtual Reality. VR will make "traveling" itself less important.

If my team can meet in a virtual environment (with expanded capabilities) from the comfort of our own homes, this will save us all time commuting and reduce the need for office space.

I already have 20+ "Beams", telepresence robots from a company called Suitable Technologies, in my offices in Culver City, La Jolla, Mountain View, and Redmond.

At the press a button, I can commute from city to city and attend meetings virtually without having to move my "meat body" across hundreds or thousands of miles.

As I've written extensively in previous blogs, VR will alter the retail shopping experience. Couple this with in home 3D printing and Drone delivery services, and your need to actually get into a car and drive someplace is quickly diminishing.

In conclusion...

To my friends in the automotive industry – there is a tsunami of change is coming.

You can either ride atop it by embracing the change or you will get crushed by it.

It seems some have the right mindset – yesterday, news broke that GM made a bid (though unsuccessful) to acquire Uber's competitor Lyft – perhaps all is not lost.

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