Rueil-Malmaison, 30 May 2023

Press Release

ARVAL MOBILITY OBSERVATORY 2023 BAROMETER:
DESPITE THE GLOBAL CLIMATE OF UNCERTAINTY AND INFLATIONARY CONTEXT, COMPANIES PLAN TO PURSUE THE GROWTH OF THEIR VEHICLE FLEETS, FOCUSING ON ENERGY TRANSITION, CONNECTIVITY AND NEW MOBILITY SOLUTIONS.

The Arval Mobility Observatory, an industry expert in the recording and forecasting of corporate mobility trends, has published the results of its latest barometer, an international survey, unique in terms of scope but also in terms of topics discussed. In 2023, a record number of company decision makers were interviewed to gather feedback from 30 countries. For the first time, the barometer includes the Element- Arval Global Alliance countries of USA, Canada, New Zealand, Australia and Mexico.

The Fleet & Mobility Barometer 2023 indicates five key macro trends for the foreseeable future:

- Company fleet size to continue to grow or remain stable
- Full service leasing financing method to continue to grow across countries
- Energy transition is accelerating
- Mobility solutions are increasingly being implemented as an add on to company cars
- Connected services continue to increase

This barometer presents a unique worldwide snapshot on how these five trends compare in the 30 countries surveyed.

1. 91 % of companies are confident about their fleet size evolution

Fleet and mobility policy decision makers remain optimistic about the future; 91 % of all companies surveyed across the 30 countries expect their fleet to remain stable or grow over the next three years: 27 % anticipate an increase and 64 % anticipate a stable fleet.

If we focus on passenger car (PC) fleets, the largest companies foresee more largely an increase of their fleet (35 % vs 29 % average) compared to the other segments.
Looking at light commercial vehicle (LCV) fleets, mid and large companies expect more largely their fleet to remain stable (65 %) compared to very large and small companies (59 %).

Concerning the reasons for future fleet increase, it is interesting to notice the sharp increase related to HR considerations. Retaining and attracting talents has become a key challenge for companies (39 %). There is also an increasing number of companies planning to offer vehicles to employees with no company car eligibility.

The impact of homeworking is limited as only 17 % of companies have changed or are considering changing their mobility policy. Among the companies that have changed or are considering changing their mobility policy, 17 % are developing alternative mobility solutions.

Finally, the most important challenges anticipated by fleet decision makers are focused on the transition to alternative fuel technologies and adaptation to restrictive public policies on Internal Combustion Engine vehicles.

2. Full service leasing to continue to grow, in all types of businesses: with 35 % of companies considering introducing or further increasing the use of this financial method.

More than one third of the companies interviewed are considering introducing or further increasing the use of full service leasing in their financing and fleet management model in the next three years. This increasing popularity of full service leasing for the years to come remains in line with the levels observed prior to Covid-19.

Another finding from the survey is that full service leasing will increase in all types and sizes of businesses: 34 % of the smallest intend to introduce or increase the use of full service leasing in their fleets, a proportion that is getting relatively close to the levels observed in mid-size and large companies for a number of years.

3. Electrified vehicle adoption is clearly accelerating, with 50 % of companies already using at least one alternative fuel technology

Across all countries and companies surveyed, 70 % of companies have already implemented or are considering implementing at least one of the following alternative technologies on their PC fleet, within the next three years: hybrid vehicles (HEVs), plug-in hybrids (PHEVs) and battery electric vehicles (BEVs).

50 % of companies already have at least one alternative fuel technology on fleet today. The trend is the same whatever the size of the company. This energy transition is on-going in all countries.

The reasons for adopting these technologies, as expressed by the decision makers interviewed, are targets to have a lower environmental impact (37 %), to reduce fuel expenses (33 %), to be compliant with their CSR policy (27 %) and because the TCO is in line or lower than ICE vehicles (26 %). All these reasons are mentioned less compared to last year presumably due to a normalisation of the situation: companies know that energy transition is not an option.

Electrified passenger cars should represent an important part of the vehicle mix for the foreseeable future. Indeed, companies expect around four out of ten cars (39 %) and 26% of light commercial vehicles to be electrified vehicles in 3 years. 18 % of passenger car fleet is expected to be BEV in three years. This view is remarkably consistent across fleets of all sizes.

4. Companies are deploying mobility solutions massively: 71 % of them have already implemented at least one mobility scheme.

84 % of companies are informed about mobility solutions in their companies. Among them, globally, 71 % of companies have already implemented at least one mobility scheme for their employees (corporate car sharing, bike leasing or a mobility budget are a few of them). 88 % have already implemented or intend to invest in such mobility schemes over the next 3 years.

With regards to the different mobility policy types, 16 % of companies have already implemented “car or cash allowance”, 13 % private lease or salary sacrifice,16 % a mobility budget, and 20% public transport partial expenses coverage.

When it comes to mobility solutions, the most implemented solutions are bike sharing / bike leasing (15 %), short or mid-term rental (18 %) and ride sharing (19 %).

Among companies using or considering using these mobility solutions, these solutions are more seen as an add-on to the company fleet, with the likelihood to give up all or part of the fleet for mobility solutions remaining pretty low.

5. Real acceleration in the implementation of connectivity with an increase of 10 points compared to last year.

Almost one in two companies have a telematics tool within their fleet compared to 38 % last year; the proportion of telematics on LCVs is higher than on PC (36 % vs 31 %). The extent of these connected services increases slightly with the size of the company: 42 % for smaller companies and 54 % amongst the largest companies.

The main reasons to have connected vehicles, regardless of type, are to locate vehicles or improve vehicle security (41 %), to improve driver safety (34 %) to improve operational efficiency (29 %) and to reduce fleet costs (25 %).

“This year, for the first time, we will cover 30 countries all over the world. Thanks to the trends highlighted in this barometer, this unique survey will bring support to international companies to work on their global strategy ”, said Bart Beckers, Arval Chief Commercial Officer and Deputy CEO.

"The Global Fleet Barometer is an incredibly helpful resource for a detailed look at the trends shaping our industry. Thanks to its global reach, the barometer provides the depth of insight and benchmarking that both our clients and our team of sales professionals truly value", said David Madrigal, Executive Vice President and Chief Commercial Officer at Element Fleet Management.

“ This international survey is unique in terms of coverage but also in terms of highlighted trends. Its new edition is clearly showing us the importance of corporate fleet and sustainable mobility solutions as a strong driver of employee retention and attractiveness, in a context of electrification and connectivity implementation acceleration. Fleet electrification is clearly accelerating with an increase of 10 points compared to last year. In the context of inflation, full service leasing and connectivity are even more relevant, with connected vehicles becoming mainstream. ”, said Yaël Bennathan, Head of Arval Mobility Observatory.

Methodology 2022/2023

For this independent survey, 8 622 companies decisions maker interviews were carried out between August 18th 2022 and November, 11th 2022 for 25 countries and between the 9th of January 2023 and 30th of March 2023 for North America, New Zealand, Australia and Mexico by an independent research company, Ipsos. Participants were recruited by telephone with a full interview conducted by phone. Its scope (from 25 to 30 countries) has been extended this year to include 5 new countries (Austria, Germany, Belgium, Spain, France, Greece, Italy, Luxemburg, the Netherlands, Poland, Portugal, UK, Czech Republic, Slovakia, Romania, Switzerland, Finland, Denmark, Norway, Sweden, New Zealand, Australia, Mexico, North America) plus the fleet markets of Turkey, Morocco, Chile, Peru and Brazil. The companies in scope operated at least one vehicle.

The distribution of the interviewees was as follows:

- 33 % were companies with less than 10 employees
- 21 % were companies with 10 to 99 employees
- 27 % were companies with 100 to 249/499/999* employees (*dependent on market)
- 20 % were companies with 250/500/1000* employees or more (*dependent on market)

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ABOUT THE ARVAL MOBILITY OBSERVATORY

The Arval Mobility Observatory is widely recognised as one of the authoritative research and industry information exchange platforms in the fleet and mobility sector. It aims at collecting and providing objective and accurate information to share with all kinds of audiences, helping them to better understand the new mobility paradigm we are operating in, and supporting them in navigating the jungle that is the ever expanding selection of mobility solutions available.
https://mobility-observatory.arval.com

ABOUT THE ELEMENT-ARVAL GLOBAL ALLIANCE

Managing more than 4 million vehicles in 55 countries and delivering products and services with customization to meet local demand, the Element-Arval Global Alliance is the longest standing strategic alliance in fleet management industry and the worldwide leader in fleet management. Clients with global needs benefit from the Alliance's extended global scale, expert advice, digital tools, global reporting, service delivery and an account team with a single point of contact to support their fleet strategies on all continents. Founded in 1995 the Alliance consists of founding partners Element Fleet Management in the United States, Canada, Mexico, Australia and New Zealand and Arval in 29 countries across four continents. Other partners include Avis Fleet in Southern Africa, Johnson & Perrott in Ireland, Mareauto in Ecuador, RDA Mobility in Argentina and Uruguay, SIXT Mega Rent in Serbia, Montenegro, and Bosnia-Herzegovina, SIXT Transporent in Estonia, Latvia, and Lithuania, and Sumitomo Mitsui Auto Service in Japan, Thailand, and India.
www.elementarval.com.