

“UNDERSTANDING TOTAL COST OF OWNERSHIP (TCO): 2025 OUTLOOK & STRATEGIC LEVERS”

ARVAL MOBILITY OBSERVATORY RELEASES NEW WHITE PAPER ON THE EVOLVING ROLE OF TCO

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- **Arval Mobility Observatory’s latest white paper dives into the evolving role of Total Cost of Ownership (TCO).**
- **TCO’s surge in between 2020 and 2025 appears to be more a function of macroeconomic inflation than the result of fleet electrification.**
- **From right vehicle selection and rightsizing to exploring alternative mobility models, key strategies can be leveraged to contain TCO without compromising strategic goals.**

The Arval Mobility Observatory, a widely recognized and trusted source of insight and foresight of corporate mobility intelligence, has released its newest white paper:

“Understanding Total Cost of Ownership (TCO): 2025 Outlook & Strategic Levers for Managing it”.

Surging TCO Redefines Fleet Strategies

The report explores **the evolving role of Total Cost of Ownership (TCO) as fleets navigate unprecedented market shifts. Since 2020, TCO has surged by up to 30%,** reshaping how organisations approach vehicle selection, contract management, and electrification strategies. Rising vehicle prices, energy costs, labour expenses, and financing rates have fundamentally transformed the economic landscape in which fleets operate. This white paper also provides a **TCO comparison across powertrain types in the highly relevant C- and D-segment passenger car categories,** offering valuable insights for **fleet managers who are increasingly evaluating the cost implications of choosing between BEVs and ICE vehicles.**



2020 to 2025: Simulating fleet spend evolution

This whitepaper provides a thorough understanding of the dynamics behind fleet cost evolution over the 2020–2025 period by offering a simulation of two scenarios:

Scenario 1: No electrification (100% ICE vehicle fleet)

Scenario 2: Gradual electrification from 0% BEVs in 2020 to 50% by 2025

These scenarios support the conclusion that cost increases are driven more by macroeconomic inflation than the result of fleet electrification.

Regaining control of TCO

A proactive, data-driven approach preserves progress on electrification and sustainability while ensuring financial efficiency. As such, this white paper outlines five key strategies to contain TCO without compromising strategic goals:

1. **Right vehicle selection and rightsizing**
2. **Contract optimization**
3. **Driver impact: Promote eco-driving**
4. **Charging strategy**
5. **Explore alternative mobility models**

Empowering companies through change

As the automotive landscape undergoes profound transformation, TCO is emerging as a central element of strategic fleet planning. By integrating financial, operational and technological considerations, it enables companies to balance short-term cost control with long-term objectives such as electrification and regulatory compliance.

"TCO is becoming a strategic compass, guiding organizations through the complexities of a rapidly evolving automotive landscape. By embracing a comprehensive view of costs and trade-offs, fleet managers can align operational choices with long-term objectives. Through this white paper, we share insights that help turn complexity into opportunity."
says Dan Boiangiu, International Arval Consulting & Arval Mobility Observatory Director

[Please find the full white paper here.](#)



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About Arval:

Arval is a major actor in full-service vehicle leasing and a specialist in mobility solutions founded in 1989. Arval is fully owned by BNP Paribas and positioned within the Group's Commercial, Personal Banking & Services division. Arval was leasing more than 1.82 million vehicles as of the end of June 2025. Every day, nearly 8,600 Arval employees in 28 countries offer flexible solutions to make journeys seamless and sustainable for its customers, ranging from large international corporate groups to smaller companies and private customers.

Arval is a founding member of the Element-Arval Global Alliance. The fleets of all the Alliance members represent more than 4.5 million vehicles in 55 countries.

Arval has been rewarded with the highest level of the EcoVadis medal, the platinum level, placing its CSR strategy in the Top 1% of the companies assessed.

www.arval.com

About BNP Paribas:

Leader in banking and financial services in Europe, BNP Paribas operates in 64 countries and has nearly 178,000 employees, including more than 144,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Türkiye, and



Eastern Europe. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

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