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ARVAL MOBILITY OBSERVATORY PUBLISHES ITS FLEET & MOBILITY BAROMETER FOR 2022. THE BEROMETER SHOWS THAT THE GROWTH OUTLOOK FOR CORPORATE FLEETS IN NORWAY ARE STILL POSITIVE

Arval Mobility Observatory, an industry expert in recording and forecasting mobility trends, has published the results from its latest barometer in Norway. Although the survey once again took place in a climate of uncertainty, the growth prospects for business fleets in general, as well as full-service leasing in particular, remain positive. The transition to electrification continues and alternative mobility solutions confirm existing trends. Telematics is increasingly seen as a service that will improve the total cost (TCO) and security of companies' fleets.

The Fleet & Mobility Barometer 2022 indicates five key macro trends for the foreseeable future:

1. Companies remain confident about their fleet

Norwegian fleet and mobility policy decision makers remain optimistic about the future; 95% of all companies surveyed expect their fleet to remain stable or grow over the next three years. Only 4% expect a decline.

Among the companies that expect an increase in their fleet, the main reasons mentioned are the following:

- ✓ 54% anticipate growth of their businesses resulting in a need for more company vehicles,
- ✓ 19% see company cars as an important lever for talent recruitment and retention of employees,
- ✓ 17% planning to expand their company cars to employees who had no company car before.

2. Full service lease should continue to grow

One third of the companies interviewed consider introducing or further increasing the use of operating lease in their financing and fleet management model. The increasing popularity of full service lease for the years to come stays in line with the levels observed prior to Covid-19. Due to the health crisis as well the subsequent semi-conductor availability challenges leading to increased delivery times, companies have extended their fleets in terms of contract durations. This has led to some lower observed overall growth rates in the industry in recent months and yet it is to be seen as a temporary phenomenon.

Another finding from the survey is that full service lease will increase in all types and sizes of businesses, including the smallest:

- ✓ 27% of which say they will introduce or increase the use of full service lease in their fleets, a proportion that is getting relatively close to the levels observed in mid-sized and large companies for a number of years.

3. Despite some remaining challenges, the energy transition is clearly continuing

Smaller companies are catching up with large corporates on EV adoption:

- ✓ 29% of small companies are already using hybrid passengers cars compared to 25% of very large companies,
- ✓ 35% of small companies are already using PHEV for their passenger car fleets compared to 42% of very large companies,
- ✓ 42% for 100 % BEV compared to 35% of very large companies.

The reasons for adopting these technologies as expressed by the decision makers we interviewed:

- ✓ are a desire to have a lower environmental impact (38% for PCs and 37% for LCVs),
- ✓ to reduce fuel expenses (23% for PCs and 31% LCVs),
- ✓ to support the company's image (26% for PCs and 30% for LCVs).

Nevertheless, diesel and petrol cars should still represent an important part of the vehicle mix for the foreseeable future. Indeed, companies expect around one third of the cars (35%) and six out of ten light commercial vehicles (51%) to be Internal Combustion Engine vehicles in the 3 years to come. This view is remarkably consistent across fleets of all sizes.

Among the companies not yet considering the implementation of electric vehicles, three of the four top factors mentioned relate to the issue of charging access, whether it is home charging, office charging or publicly available charging facilities and services.

4. Companies are deploying alternative mobility solutions as an add-on to company car fleets

More than five companies out of 10 have already implemented at least one alternative mobility solution (corporate car sharing, bike leasing or a mobility budget are few of them). 66 % have already implemented or intend to invest in such mobility solutions for the 3 years to come.

- ✓ In most cases (more than nine companies out of 10), these solutions are complementary to company cars and not a substitute, most interviewees of the survey indicated that they are not intending to give up all or part of the company car fleet as such.

Partial remote working has started to be introduced in many companies, yet only 12% in Norway today have started adapting their fleet and mobility policies to take this new trend into account.

5. Connected services are increasingly used to manage fleet costs and drive safety

- ✓ 27% of companies have a telematics tool within their fleet; 20% for passenger cars and 19% for LCV fleets.
- ✓ The extent of these connected services increases slightly with the size of the company: 26% for smaller companies and 31% amongst the largest companies.

The main reasons to have connected vehicles:

- ✓ to locate vehicles or improve vehicle security (30%),
- ✓ to improve operational efficiency (28%),
- ✓ to improve driver safety (30%) and
- ✓ to reduce fleet costs (24%).

"The 2022 Fleet & Mobility barometer is clearly showing us the resilience of fleets in a continually turbulent environment, as the companies decision makers that were interviewed, remain optimistic for the future and committed to pursue their investments in sustainable mobility", says Michael Benabdallah, General Manager Norway.

Methodology 2021/2022

For this independent survey, 7,576 Company Fleet decision makers interviews (300 in Norway) were carried out between November 19, 2021 and March 11, 2022 by an independent research company Ipsos. Participants were recruited by telephone with a mix of data collection models: a full interview conducted by phone or recruitment by telephone and a link sent to complete the survey online. Its scope (from 20 to 26 countries), has been extended this year to include most of the European countries (Austria, Deutschland, Belgium, Spain, France, Greece, Italy, Luxemburg, the Netherlands, Poland, Portugal, UK, Czech Republic, Slovakia, Romania, Switzerland, Finland, Denmark, Norway, Sweden) plus the fleet markets of Russia, Turkey, Morocco, Chile, Peru and Brazil. The companies in scope operated at least one vehicle.

The distribution of the interviewees in Norway were as follows:

- ✓ 33% were companies with less than 10 employees
- ✓ 20% were companies with 10 to 99 employees
- ✓ 27% were companies with 100 to 249 employees
- ✓ 20% were companies with 250 employees or more

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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

Arval Mobility Observatory

ABOUT ARVAL:

Arval specialises in full service vehicle leasing and new mobility solutions, leasing close to 1.5 million vehicles at the end of December 2021. Every day, 7,500 Arval employees in 30 countries offer flexible solutions to ensure seamless and sustainable journeys for its customers, ranging from large international corporate groups to smaller companies and individual retail clients.

Arval is a founding member of the Element-Arval Global Alliance, a world leader in the fleet management industry, with more than 3 million vehicles across 53 countries. Arval was founded in 1989 and is fully owned by BNP Paribas. Arval is positioned within the Group’s Commercial, Personal Banking & Services division. www.arval.com

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