



KANTAR

Arval Mobility
Observatory

2020 FLEET BAROMETER

Luxembourg

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1

CONTEXT AND METHODOLOGY

NUMBER OF INTERVIEWS CONDUCTED IN LUXEMBOURG

Perimeter of the survey: companies **owning at least 1 vehicle**



Companies with less than 10 employees
55 INTERVIEWS



Companies with 10 to 99 employees
44 INTERVIEWS



Companies with 100 to 249 employees
39 INTERVIEWS

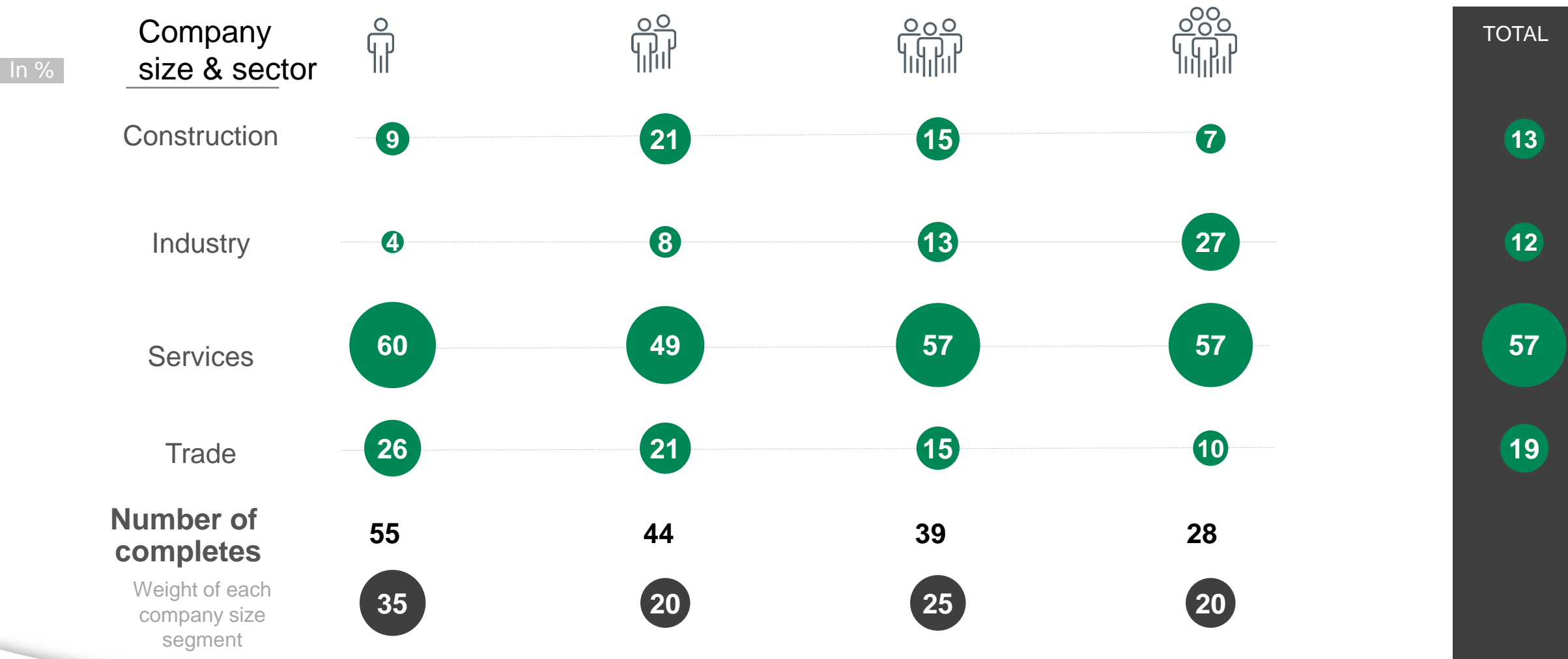


Companies with 250 employees and more
28 INTERVIEWS

**1 to 99
employees
99 INTERVIEWS**

**100 employees
and more
67 INTERVIEWS**

SAMPLE STRUCTURE IN LUXEMBOURG



This sample structure was set up in order to be roughly **representative of the number of vehicles registered** by companies for each company size segment and activity sector as well as to **allow comparisons between countries on a similar bases**
In the following slides, no additional weighting of the data are applied to company sizes or activity sectors segments



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MAIN RESULTS

GLOBAL COUNTRY INSIGHT: A FLEET WITH GROWTH POTENTIAL, BUT LATE ON MOBILITY ALTERNATIVES AND TELEMATICS

GLOBAL COUNTRY INSIGHT – A FLEET WITH GROWTH POTENTIAL, BUT LATE ON MOBILITY ALTERNATIVES AND TELEMATICS

#1

SMALL COMPANIES HAVE LARGER FLEETS than European average and **BIG COMPANIES EXPECT THEIR FLEET TO GROW**

#2

ALTERNATIVE FUEL TECHNOLOGIES ARE GROWING but diesel still expected to account for 60% of the fleet

#3

MOBILITY ALTERNATIVES: RIDE SHARING THE MOST USED & mid-term rental the most likely to impact the fleets

#4

OPERATING LEASING IS THE PREDOMINANT FINANCING METHOD and can still grow

#5

THE DEVELOPMENT OF TELEMATIC HELD BACK because considered as too intrusive



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WHAT ARE THE MAIN CHARACTERISTICS OF THE FLEETS?

INSIGHT#1: SMALL COMPANIES HAVE LARGER FLEETS THAN EUROPEAN AVERAGE, AND BIG COMPANIES EXPECT THEIR FLEET TO GROW

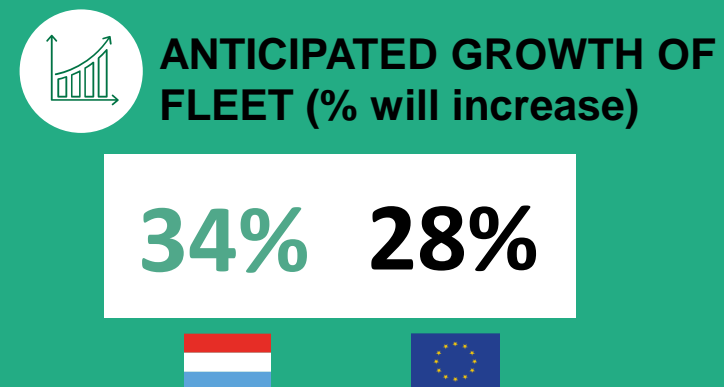
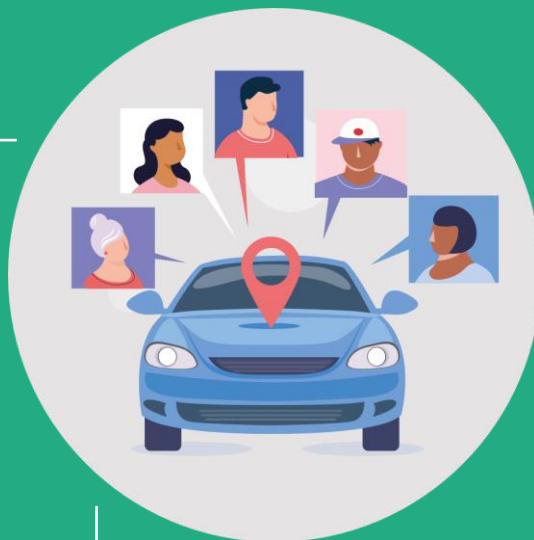
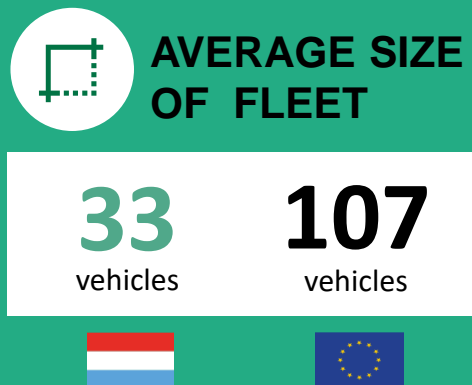
INSIGHT 1: SMALL COMPANIES HAVE LARGER FLEETS THAN EUROPEAN AVERAGE AND BIG COMPANIES EXPECT THEIR FLEET TO GROW

#1

SMALL COMPANIES HAVE LARGER FLEETS than European average and big companies expect their fleet to grow

- In Luxembourg, due to a smaller number of large companies – which also have less numerous employees – **fleets have less vehicles than the European mean** (33 vehicles in Luxembourg vs 107). Actually, **small companies (<10 employees) tend to own more vehicles than in other European countries**, while **big companies have a smaller fleet compared with European benchmark** (76 in Luxembourg vs 424 on average in Europe). In the end, about half the company fleets have less than 10 vehicles.
- **Passenger cars are more slightly prevalent than LCVs** and vans, especially in small companies (92% in Luxembourg vs 78% in Europe for companies with less than 10 employees).
- **The possession length of the vehicle is about 5 year on average**, but a bit lower than the European average (4.7 in Luxembourg vs 5.4 year in Europe). Like in other European countries, the possession length is shorter in bigger companies, but longer for LCVs and vans.
- **More than a third of the companies expect their fleet to grow**, and **this share gets bigger with the company's size**. Indeed, **half of the big companies expect a growth of their fleet**. The main reason for this increase is first that the company itself will grow. Also, company cars are an HR lever to support talent acquisition (58% in Luxembourg, vs 29% in European average) and retain current employees.

FLEET PROFILE





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WHAT CHANGES ARE TO BE EXPECTED IN
THE NEAR FUTURE REGARDING ENERGY MIX?

INSIGHT#2: ALTERNATIVE FUEL TECHNOLOGIES ARE
GROWING BUT DIESEL STILL EXPECTED TO ACCOUNT
FOR 60% OF THE FLEET

INSIGHT 2: DIESEL IS STILL PREVALENT. ALTERNATIVE FUEL TECHNOLOGIES ARE GROWING BUT BELOW EUROPEAN AVERAGE.

#2

ALTERNATIVE FUEL TECHNOLOGIES ARE GROWING but diesel still expected to account for 60% of the fleet.

- Despite a decline of diesel in the global country fleet (due to diesel gate and ecological concerns), diesel fuel is still cheaper than in other countries **and diesel cars are expected to account for 60% of the companies' fleets in 3 years time** (11 points higher than the European average).
- Also, the **consideration and usage of alternative fuel technologies is lower than the European benchmark** (57% vs 62%). This is **especially** due to the **LCVs fleet**, whose consideration and usage for alternative technology is much behind European mean, whereas passengers cars are aligned with it. Nevertheless, **75% of the companies say they will have to adapt to WLTP** (vs 69% in European average) : the first action being the **change in the energy mix for almost 4/10** ; while 24% plan an increase of the TCO budget.
- **Hybrid, Plug in Hybrid and Electric vehicle are the most implemented or considered alternative technologies, and growing vs 2019.** About **40%** of the fleets consider or have used these technologies, Hybrid & Plug in Hybrid being ahead of EV. Smaller companies (<100 employees) are more interested in Hybrid, and bigger companies (100 employees or more), also interested in Hybrid, consider more Electric (about 50%).
- The **first reason for implementing alternative fuel strategies is to limit carbon emissions**, as in the rest of Europe. The following reasons are the future restrictive policy, be compliant with the CSR policy and for tax incentives (a new carbon tax is planned for 2021). For the LCV Fleet, other reasons are : improve the company image, reduce fuel expense and avoid being banned from certain zones.
- On the other hand, there are **brakes to overcome** for the implementation of alternative fuel strategies. 26% of companies do **not consider implementing plug-in Hybrid, mainly because of the price** (57%) and the **lack of public charging points** (58%). 34% do not consider implementing battery electric vehicles, for the same reasons.

ENERGY MIX



AT LEAST ONE ALTERNATIVE
IMPLEMENTED OR CONSIDERED

57% 62%



EXPECTED PART OF
PETROL 3 YEARS

25% 28%



AT LEAST ONE ALTERNATIVE
IMPLEMENTED

29% 34%



EXPECTED PART OF DIESEL
3 YEARS

60% 49%





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WHAT ARE THE PERSPECTIVES IN TERMS
OF ALTERNATIVE MOBILITY SOLUTIONS ?

INSIGHT#3: MOBILITY ALTERNATIVES: RIDE SHARING
THE MOST USED & MID-TERM RENTAL THE MOST LIKELY
TO IMPACT THE FLEETS

INSIGHT 3: RIDE SHARING THE MOST USED MOBILITY ALTERNATIVE.

#3

MOBILITY ALTERNATIVES: RIDE SHARING THE MOST USED & mid-term rental the most likely to impact the fleets

- **7 out of 10 companies allow mobility alternative for their employees in their car policy** – which is **below European average**. This share is higher depending on the company size : 57% for companies with less than 100 employees, 79% for bigger companies. **Generally, the alternative mobility are more implemented and considered in large companies** – same pattern on European benchmark.
- The **most used mobility alternative is ride sharing between employees**, more developed than in other countries and expecting to grow : 37% already use it vs 28% for European average. It is **more used in bigger companies** – same as European results – but above European average whatever the company size. The **2nd alternative is public transport**. Except for ride sharing, the consideration for mobility alternatives tend to be lower than European level.
- **Mid-term rental comes 3rd** : it is **already implemented in 18% of the companies**, and 10% more consider it for the next 3 years (consideration is a bit below European average, but usage at the same level). It is more used in companies with over 100 employees, with 27% already using it (close to European benchmark).
- **The likelihood to give up fleet for mobility alternatives** (among companies using or considering mobility solutions) **tend to be lower in Luxembourg than the European mean**. It is **mid-term rental that shows the strongest potential** with 15% (vs 24% European average), especially in small companies (< 10 employees) : 21%.
- **Other solutions are less used or considered. Mobility budget comes 4th**, used or considered by 24%. 12% of companies already use **corporate car sharing**, but it **shows limited potential** as few consider using it in the next 3 years (19% use or consider vs 32% European average). **Mobility card is more used in bigger companies** (23% usage in companies > 250 employees). **Apps show the highest increase potential (+13 points** between usage and consideration) **but is actually among the lowest level across Europe**. Private lease is implemented already in 13% of companies with a fleet - with no difference depending on the company size, but consideration is lower than European average.

MOBILITY ALTERNATIVES

In %



TOP 3 USED ALTERNATIVES

#1: Ride sharing between employees

27 31



#2: Public transport

37 28


 2 1 3

18 17



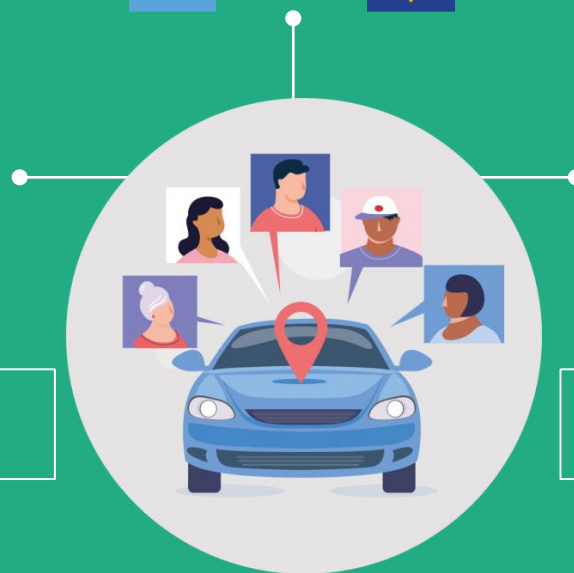
#3: Mid-term rental vehicles



ALLOWS MOBILITY ALTERNATIVE

67 61





41 42



#2: Public transport

#1: Ride sharing between employees

50 42



2 1 3

28 32



#3: Mid-term rental vehicles



TOP 3 POTENTIAL NEXT 3 YEARS

MOBILITY ALTERNATIVES LIST AND DEFINITIONS



CORPORATE CAR SHARING:

the company makes available upon reservation vehicles for its employees via an external solution



MOBILITY BUDGET within a predefined budget usually granted by the employer allowing employees to choose any mobility mode that is available on the market



RIDE SHARING BETWEEN EMPLOYEES: several employees in the same car for a journey to the same destination



MOBILITY CARD PROVIDED BY THE EMPLOYER: employees can use it to book, pay, use any mobility mode available on their country (Xximo card...)



BIKE SHARING



AN APP TO BOOK MOBILITY SOLUTIONS (travel planning, payments for your transport...)



OTHER 2 WHEELS SOLUTIONS (motorbike, motorized scooters,...) or micro-mobility (kick scooter)



PRIVATE LEASE OR SALARY SACRIFICE (by private lease I mean the fact that an employee rents or lease a car on his own behalf. By salary sacrifice I mean the fact that an employee rents or lease a car via his employer)



PUBLIC TRANSPORT



PROVIDE MID-TERM RENTAL VEHICLES (a rental for between 1 to 24 months) to provide transport needs for an employee

A background image showing the rear of a car driving on a road towards a bright sunset. The car's rear wheel and part of its body are visible on the left. The road stretches into the distance, and the sky is filled with warm, golden light from the setting sun.

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HOW COMPANIES ARE FINANCING THEIR FLEET?

INSIGHT#4: OPERATING LEASING IS THE PREDOMINANT
FINANCING METHOD AND CAN STILL GROW

INSIGHT 4: OPERATING LEASING IS THE PREDOMINANT FINANCING METHOD AND CAN STILL GROW

#4

OPERATING LEASING IS THE PREDOMINANT FINANCING METHOD and can still grow

- In Luxembourg, **operating leasing is the predominant method for financing the company fleet**, with **41%** using this method. It is a specificity of the country, because globally in Europe companies are 29% to use mainly operating leasing, and tend more to finance via self purchase.
- The **other financing methods in Luxembourg are finance leasing and self purchase**, which account both for slightly more than a quarter.
- **Financing methods** show **different** figures **depending on the company size**. However, **operating leasing remains the favorite**. It represents a **larger share in companies from 100 to 250 employees** which are 55% to use this financing method. Apart from operating leasing, smaller companies (<100 employees) are about 30% to mainly use finance leasing, whereas for companies over 250 employees, it is self purchase that comes 2nd with 30% financing mainly their fleet with this method.
- The evolution dynamic of financing method also differ with the company size. **Operating leasing is steadily growing in small companies** (<10 employees) : it went from 20% last year to 31%, to the expense of finance leasing which has dropped from 36% to 28%. In 10-99 companies, the financing method is more stable vs last year, but finance leasing has decreased since 2017. In companies with >100 salaries, self purchase has actually grown - going from 17% to 27% - while operating leasing decreased from 53% to 41% (still being the main method by far though)
- **Operational leasing still has room for development as 33% of companies intend to introduce or increase its use in the next 3 years**. This expected growth is stable vs 2019.

FINANCING

In %



**SELF
PURCHASE**

27 39



**OPERATING
LEASING**

41 29



**CAR
CREDIT**

5 9



**FINANCE
LEASING**

27 24





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WHAT ARE THE USAGES IN TERMS OF
TELEMATICS, DIGITAL TOOLS AND
ROAD SAFETY EQUIPMENTS?

INSIGHT#5: DEVELOPMENT OF TELEMATICS HELD
BACK BECAUSE TOO INTRUSIVE

INSIGHT 5: THE DEVELOPMENT OF TELEMATIC HELD BACK BECAUSE CONSIDERED AS TOO INTRUSIVE

#5

THE DEVELOPMENT OF TELEMATIC IS HELD BACK because considered as too intrusive

- In Luxembourg, **28% of companies use telematics – which is below European level (33%)**. It is low because of there is a **strong apprehension against it, being seen as intrusive** : indeed, the fact that it is too intrusive comes out at 62% - much higher than European benchmark 37% -. And the 2nd main concern, which is linked, is that the **employee will not accept it** (43%).
- **Like for the rest of Europe, telematic usage increase with the size of the company**, with 37% of companies > 250 employees using telematics vs 20% for small companies (<10 employees). However, small companies have same level as European benchmark when big companies (> 250 employees) are below.
- The **usage of telematics is particularly low for passenger cars** (22% vs 28% for Europe), although it is more in use in big companies (> 250 employees) where it is at 30%.
- The connection to telematic of the fleet is among the lowest in Europe for benefit car (13% vs an average of 20%) and tool cars (12% vs 20%)
- Telematic is **more used on LCVs** (27%, close to Europe level), and the share gets bigger with the company size.
- The **main levers for using telematics are the safety or possibility to locate the vehicle (46%)**, and then the improvement of operational efficiency (44%) – which is the same top 2 as in Europe.

TELEMATICS

In %



TOP 3 REASONS

#1: To locate vehicles or improve vehicle security



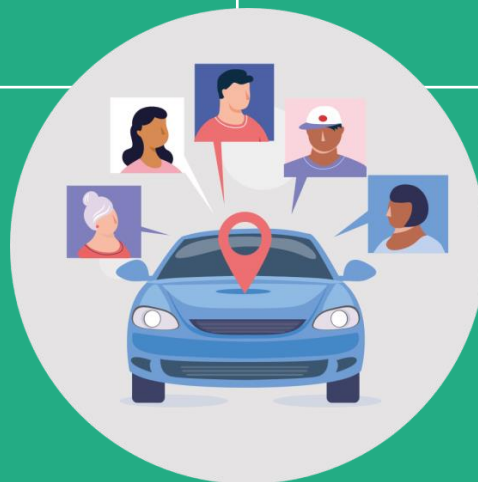
#2: To improve operational efficiency



#3: To improve drivers safety



USE TELEMATICS



#1: Telematics is too intrusive for the drivers



#2: You have some concerns that employees will not accept it



#3: You are not convinced that there will be a return on investment



TOP 3 BARRIERS



THANK YOU