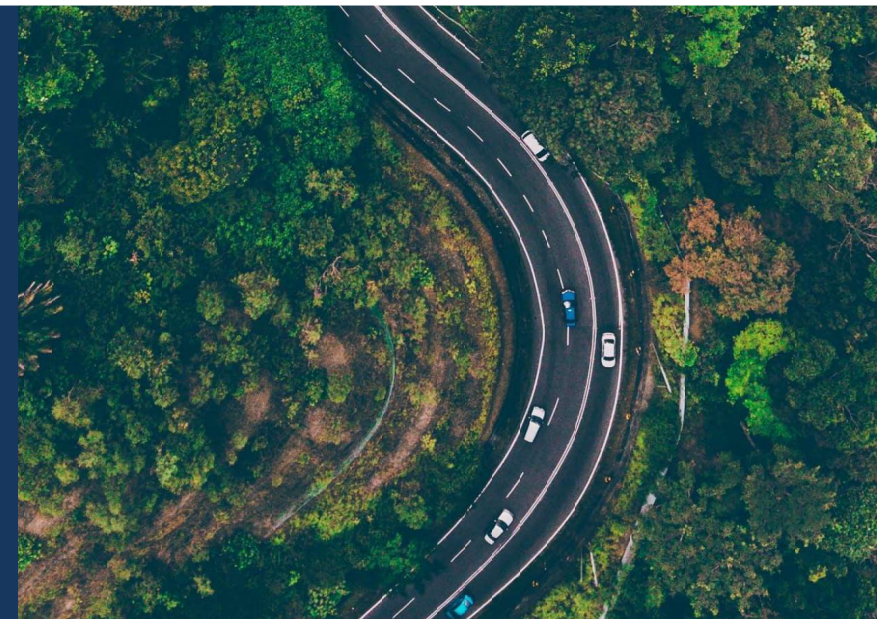
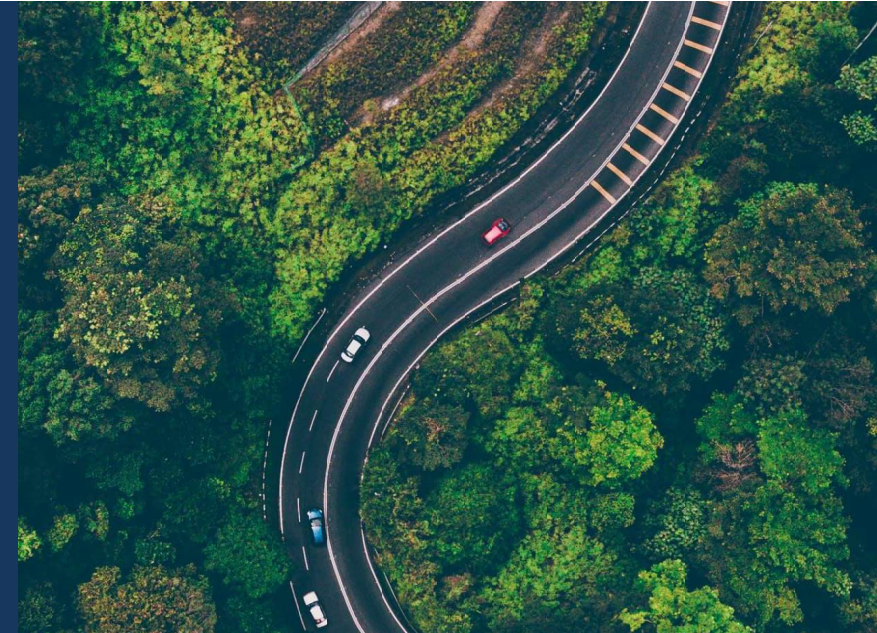


AUSTRALIAN CORPORATE FLEET INSIGHTS REPORT

October 2020



COMPLIMENTARY AfMA MEMBER OVERVIEW





BEN SELWYN
Director
ACA Research

We're very pleased to bring this significant piece of research to market, building on the inaugural report that was published in 2018. We would like to thank AfMA for their support, as well as all other stakeholders who have provided input at different stages in the process.

Despite making up just 5% of vehicle-owning businesses, Corporate Fleets own almost two thirds of Australia's business vehicles. This includes a diverse mix of passenger, light and heavy commercial vehicles, creating an incredibly complex operating environment. In 2020, the COVID-19 pandemic has also left fleet managers facing a whole new range of challenges around employee mobility.

While this has been an incredibly confronting period, many have also taken it as an opportunity for reflection and review. Across the market, we have seen suppliers using this time to pause and consider their offering, looking at how they might evolve or iterate products and services to better deliver to the evolving needs of the market.

We strongly believe that these decisions should be informed by robust and reliable data, and that this report delivers critical insights around the composition, attitudes, and needs of Australian Corporate Fleets. We hope that you find it a valuable tool that supports your business decision making, and helps you better focus your business planning, strategy and marketing activities.

Please also feel free to get in touch if you have questions, or would like to discuss the research in more detail.



MACE HARTLEY
Executive Director
Australasian Fleet
Management Association

I'd like to thank those people and their organisations who took the time to complete this fleet survey. AfMA exists to promote fleet management as a professional vocation, linking people and knowledge, and creating meaningful outcomes, and it's only through active participation that we can track industry trends, helping you understand where your fleet and organisation fits.

In this research, ACA Research draw out valuable insights into the key trends that have impacted the fleet industry over the past two years. The report again separates the findings between small, medium and large Corporate Fleets, as scale does affect decisions and the way a fleet is managed.

Given the current environment, the survey also explores the strategies that fleets are taking in response to the ongoing COVID-19 pandemic, and how shifts in areas like fleet replacement cycles will impact the broader automotive ecosystem.

This 2020 program of research is clearly an evolution from the study we conducted two years ago, providing deeper insights into the many different aspects of your fleet management, so that suppliers of products and/or services can improve their offerings, therefore providing better outcomes for you and your organisation.

ACA Research have prepared an informative and insightful report that achieves these goals, however if you have questions, or want further information, give them a call.

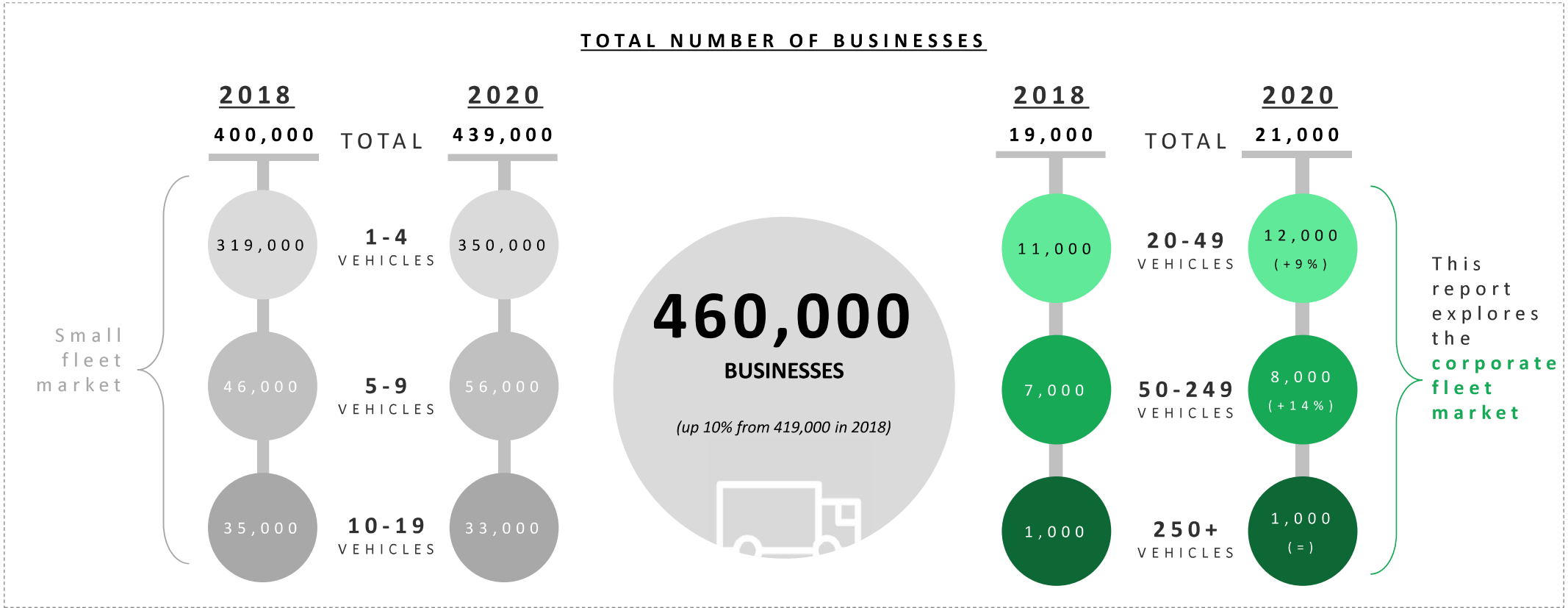
KEY TAKEAWAYS

This report talks to five macro trends impacting Corporate Fleets in 2020; The insights underpinning each of these can be used to identify unmet needs impacting the sector, providing significant opportunities for organisations that can help them address and overcome these challenges

| A NEW OPERATING ENVIRONMENT | THE NEED FOR EXTERNAL SUPPORT | A DIFFERENT GROWTH STORY | SUPPORTING FLEET RENEWAL | DELIVERING A GREAT FINANCE CX |
|---|---|--|--|---|
| <p>INSIGHTS</p> <ul style="list-style-type: none">Fleets are balancing complex regulatory requirements with the drive for efficiencyLarger Corporate Fleets are effectively using technology to achieve these outcomesCOVID is the joker in the pack, driving fleets from shared mobility back to company (or employee) owned vehicles <p>OPPORTUNITIES</p> <p>Support fleets in areas including:</p> <ul style="list-style-type: none">Implementation of new technologiesOptimising asset utilisationGrey fleet managementCOVID policy development and implementation | <p>INSIGHTS</p> <ul style="list-style-type: none">Most Corporate Fleets use FMOs to support their internal capabilitiesLarger Corporate Fleets have the deepest relationships, appreciating the service, product range, and quality of reporting on offerSmaller Corporate Fleets appear more price-sensitive in the services they use <p>OPPORTUNITIES</p> <ul style="list-style-type: none">Drive growth by demonstrating value (or savings) complete FMO offering can offer to smaller / mid-sized Corporate Fleets (e.g. fleet logistics, reporting, etc) | <p>INSIGHTS</p> <ul style="list-style-type: none">Despite COVID-19, many Corporate Fleets expect to grow their fleet in 2020, particularly ProductionWhile few have currently implemented EVs, this is likely to be a key part of strategies over the next five years <p>OPPORTUNITIES</p> <ul style="list-style-type: none">Ensure product range supports the shift towards commercial vehiclesDeliver flexible vehicle fit-outs or service body optionsIncrease the range of low and zero emission vehicles over the mid-term, supporting the EV transition | <p>INSIGHTS</p> <ul style="list-style-type: none">Corporate Fleets expect to acquire more than 600,000 vehicles in the year aheadThey will also dispose of almost half a million, for a predicted increase of 165,000 vehicles <p>OPPORTUNITIES</p> <ul style="list-style-type: none">Support fleets when it comes to vehicle acquisition and disposal. Depending on fleet size, this will include:<ul style="list-style-type: none">DealersOEMsFMOsCar brokersAuction housesUsed car warehouses | <p>INSIGHTS</p> <ul style="list-style-type: none">Despite high levels of finance usage, many Corporate Fleets appear dissatisfied with the quality of customer service from their lenderSimilarly, the performance of intermediaries (e.g. FMOs, brokers) appears mixed, with concerns around the quality of communication <p>OPPORTUNITIES</p> <ul style="list-style-type: none">Improve fleet customer CX by a greater focus on:<ul style="list-style-type: none">Optimising comms at all stagesTailoring products and pricing to the individual fleets |

NUMBER OF BUSINESSES

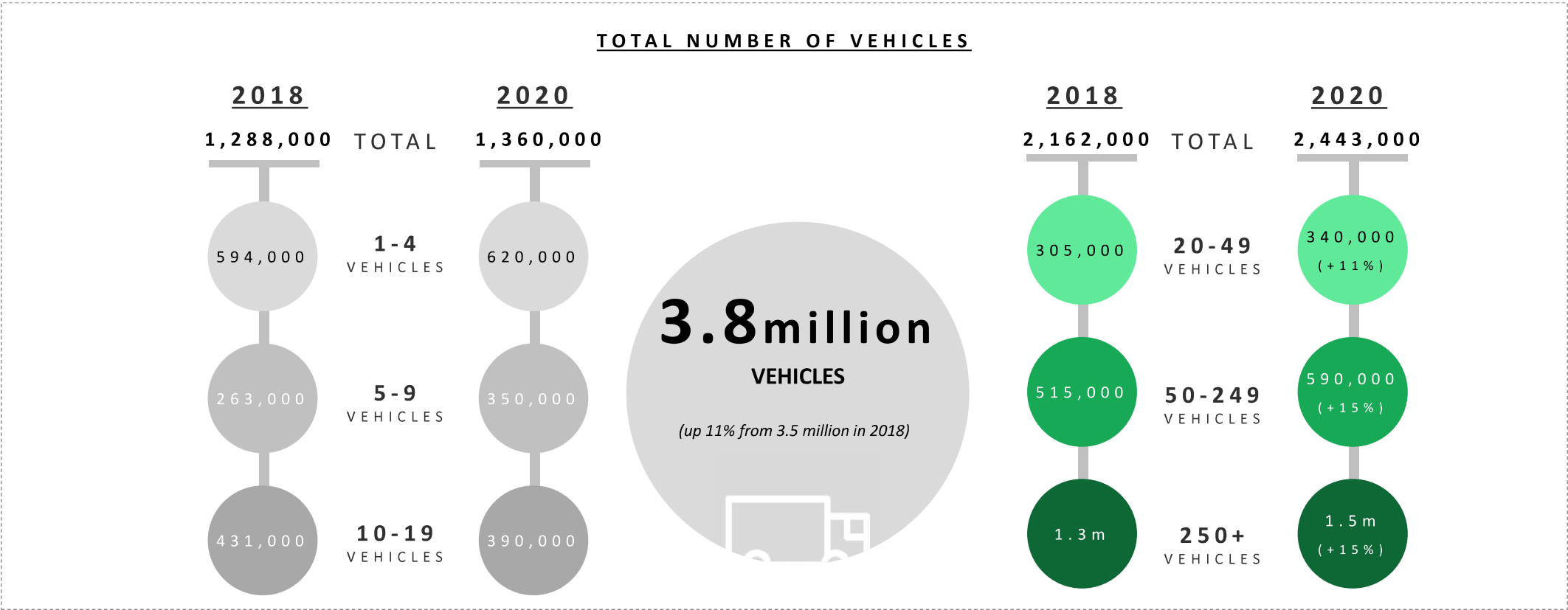
Despite the challenging operating environment, the number of Corporate Fleets (and business fleets more broadly) continues to increase; this highlights the size of the opportunity to businesses selling into this sector



Base: All respondents (n=742), 1-4 vehicles (n=145), 5-9 vehicles (n=108), 10-19 vehicles (n=86), 20-49 vehicles (n=122), 50-249 vehicles (n=181), 250+ vehicles (n=102)
S6 - How many vehicles does your company currently own or lease? Only include vehicles that are used fully or partially for business purposes? Please exclude employee owned vehicles (including novated leases).

NUMBER OF VEHICLES

Compared to 2018, the number of vehicles operated by Corporate Fleets has also grown, increasing by ~280,000; this segment owns or operates almost two thirds of the total fleet vehicles on Australian roads



Base: All respondents (n=742), 1-4 vehicles (n=145), 5-9 vehicles (n=108), 10-19 vehicles (n=86), 20-49 vehicles (n=122), 50-249 vehicles (n=116), 250+ vehicles (n=165)
S6 - How many vehicles does your company currently own or lease? Only include vehicles that are used fully or partially for business purposes? Please exclude employee owned vehicles (including novated leases).

ABOUT THE RESEACH METHODOLOGY

A robust sample that has been weighted to be representative of Australian Corporate Fleets by fleet size, location, and industry



MAIN RESEARCH
SAMPLE

N=403
CORPORATE
FLEET OPERATORS



KEY
SEGMENTS

Fleet operators
with:

20-49 vehicles

50-249 vehicles

250+ vehicles

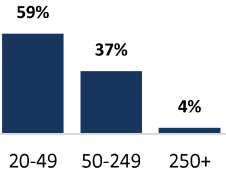


SURVEY
METHOD &
TIMINGS

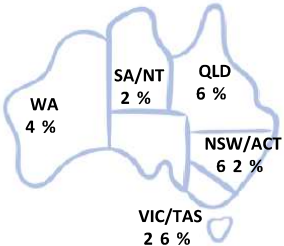
- 8th July – 10th August 2020
- Online survey with sample primarily sourced from an online panel. Sample was then supplemented with additional participants sourced from the AfMA database.

CORPORATE FLEET
WEIGHTED SAMPLE PROFILE

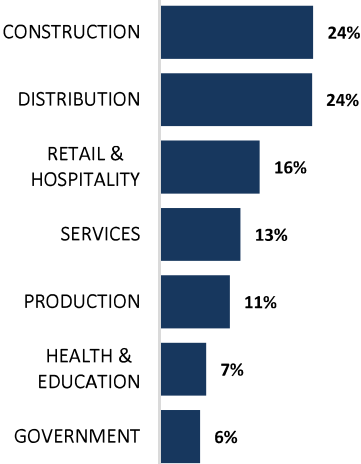
PARTICIPANTS
BY FLEET SIZE

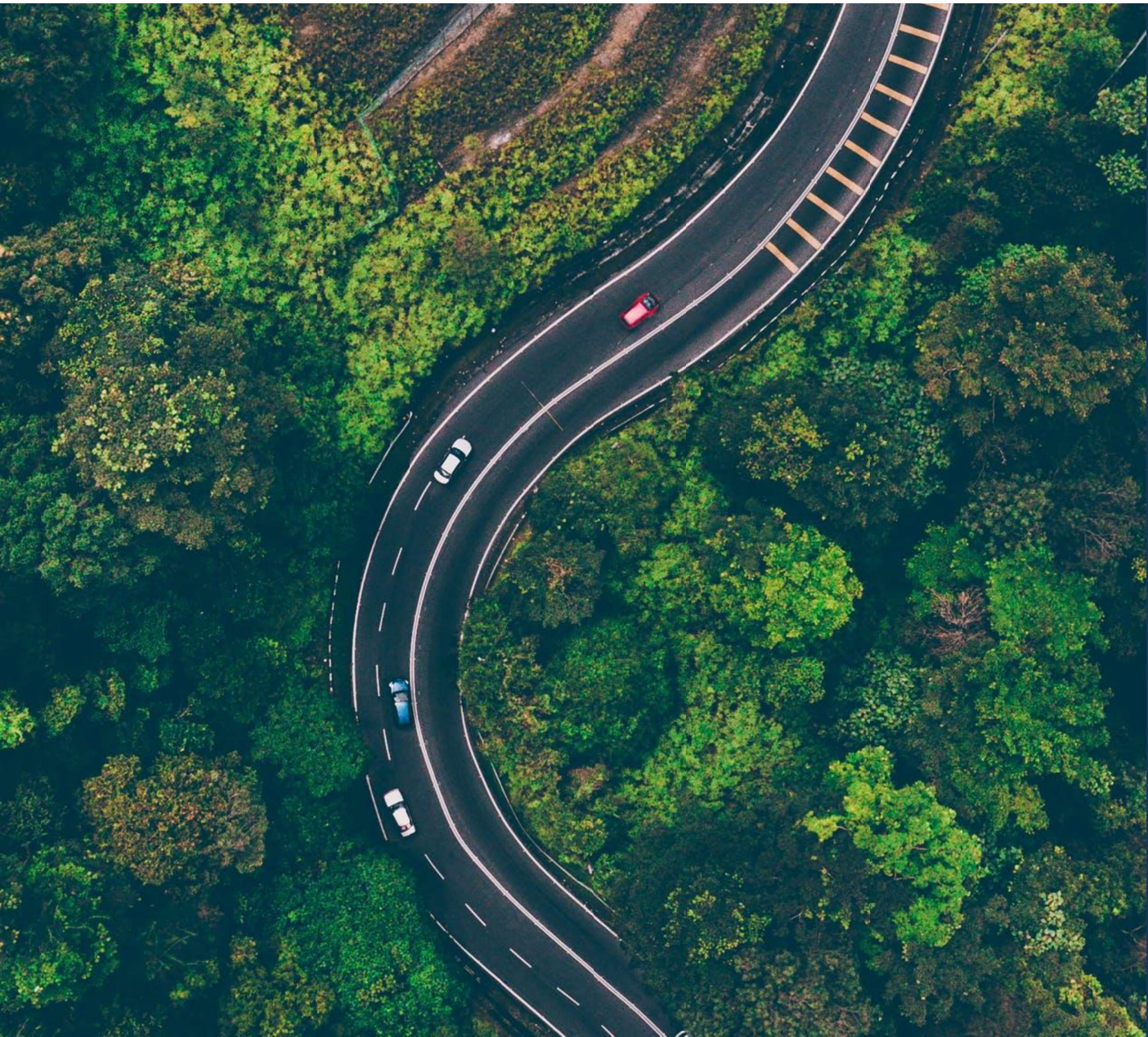


PARTICIPANTS
BY STATE



PARTICIPANTS
BY INDUSTRY





THANK YOU

CONTACT US:

BEN SELWYN

Director | ACA Research
bselwyn@acaresearch.com.au

MACE HARTLEY

Executive Director | Australasian Fleet Management
Association
mace.hartley@afma.org.au