

E-mobility Study: Going Digital Helps

By 2035, the sale of new combustion vehicles in the EU will come to a definitive end. For companies, this means a significant shift when it comes to managing their vehicle fleets. In this context, we asked 300 fleet managers in Germany about their current situation and how they will deal with a new era of all-electric fleets looming on the horizon. Our latest PANION study shows promising trends, as well as some sobering results.

At a glance

- E-mobility is on the corporate radar, but rarely implemented
- Potential of digitalization hardly recognized in many companies
- Use of digital tools makes a lot of sense in the field of e-mobility



E-mobility: Going digital helps

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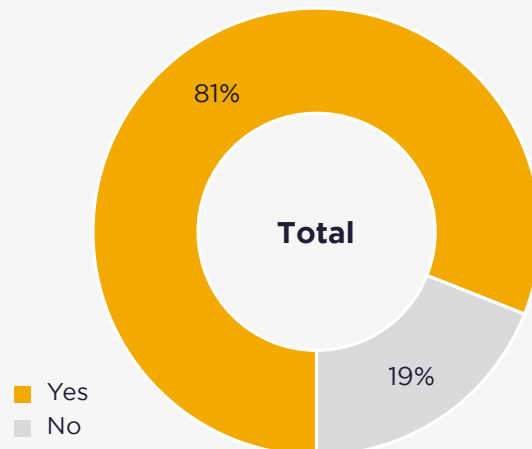
Everyone is talking about it, including fleet managers. Yes, we're talking about electro-mobility. When it comes to the practical implementation, there is still room for improvement. This is the conclusion drawn by the results of the survey "Fleet Manager Insights – Germany 2022", which the market research institute DIMA conducted in early 2022 on behalf of PANION. For this corporate startup of ABB E-Mobility – which offers software solutions for fleet electrification and the optimization and management of e-fleets – the Mannheim-based market research institute DIMA surveyed 300 companies in Germany.

E-mobility is an issue for many companies, but only a minority of companies own electric vehicles

What is the level of electrification of fleets today? And what is the level of digitalization in terms of fleet management? These were the core questions of the survey. To answer them, 100 companies each with small fleets (up to 50 cars and commercial vehicles up to 7.5 tons gross vehicle weight), medium-sized fleets (51 to 150 vehicles) and large fleets (over 150 vehicles) were surveyed. With 42 percent fleet managers and 32 percent owners and managing directors, the

A majority of companies have actively addressed the subject of e-mobility

Have you already actively addressed the subject of e-mobility for your company?



Source: © PANION | Fleet Manager Insights – Germany 2022

Top 3 arguments for YES

- Environmental aspects / sustainability / CO2 reduction (37%)
- Tax advantages / subsidies (20%)
- Interest, want / need to be up to date (19%)

Top 3 arguments for NO

- Range is not sufficient (33%)
- No time, no reason to become active yet (16%)
- No interest in e-mobility in general (16%)

Chart 1 © PANION | E-mobility is a topic in the companies

statements of the key decision-makers played a major role in the survey results.

E-mobility is an issue for many companies, but only a minority of companies own electric vehicles.

According to the survey, a clear majority of companies (81 percent) have already addressed the topic of electro-mobility. However, around one fifth (19 percent) have not yet done so (Chart 1). This is surprising, given the topic is not a new one and has gained significant momentum.

The main reasons for the interest in e-mobility are environmental aspects, a general orientation towards sustainability and a growing demand for carbon emissions reduction. However, tax advantages and subsidies as well as the goal of being at the cutting edge of technology are important reasons for engaging in e-mobility as well.

Conversely, in the view of many respondents, the range of electric vehicles is still too low – and thus the most important reason against electrification. What may sound surprising is that quite a few companies state that they have either not yet had time to seriously consider the electrification of their vehicle fleets or do not yet see any reason to do so. A general lack of interest in e-mobility comes into play here as well. These are bold statements, given that electric mobility will affect every fleet in the not-too-distant future. Therefore, an ostrich policy doesn't seem like the ideal solution here.

If these statements are broken down into the three fleet sizes, it's apparent that interest in fleet electrification increases with the number of vehicles. Virtually all fleet managers of large fleets surveyed (96 percent) have already addressed this topic, while only 66 percent in charge of small fleets and 81 percent in charge of medium-sized fleets show the same level of interest.

Top 3 advantages of fleet electrification

TOP 3 advantages	Total	Fleet size			Function	
		up to 50 vehicles	up to 150 vehicles	over 150 vehicles	Fleet manager / employee	Managing director / owner
CO ₂ -emissions	66 %	54 %	67 %	77 %	71 %	53 %
GHG	56 %	42 %	60 %	67 %	59 %	47 %
Image	55 %	41 %	59 %	65 %	56 %	45 %

Figure 2 CO₂-emissions, GHG ratios and image aspects as advantages for fleet electrification.

Only one-third intend to electrify their fleet within the next five years

Is it a current strategic goal of your company to electrify your fleet in the next 5 years?

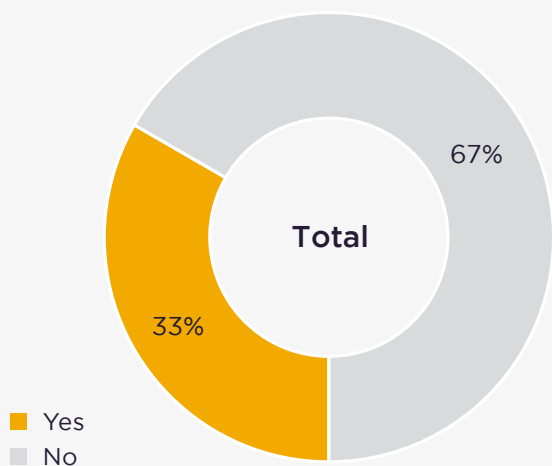


Chart 3 Little willingness to electrify fleets

Only 16 percent would like to see more fleet digitalization

Are there areas of fleet management in your company where you would like to see more digitalization?

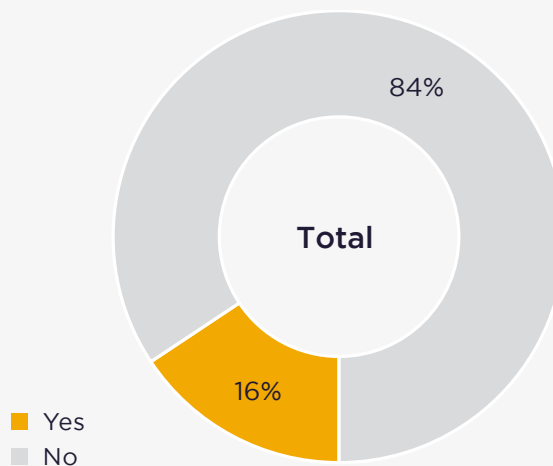


Chart 4 Potential of digitalization misjudged?

Quelle © PANION | Fleet Manager Insights - Germany 2022

Regardless of fleet size, those who see an electrified fleet as an opportunity emphasize carbon emissions reductions (66 percent), the monetary potential of the GHG-quotas (56 percent) and image/reputation aspects (55 percent; Chart 2).

In practice however, e-mobility still plays a minor role in the fleets of the companies surveyed: currently only 9 percent of their passenger cars are fully electric.

For light commercial vehicles, the figure is a marginal 2 percent. This may not be surprising for the start-up phase of a new technology, but what is

surprising is that although four-fifths of the companies surveyed have already looked into e-mobility, only one-third plan to electrify their fleet within the next five years (Chart 3). The vast majority are thus foregoing state subsidies in the short term and preparing for a technology in the long term that, from today's perspective, will be standard in a few years.

Considering constantly increasing carbon regulations and carbon costs as well as ever more frequent sustainability requirements, also from the customer side, the openness of the respondents to fleet electrification seems surprisingly low overall. Because one thing is clear: sooner or later, every company has

Self-assessment: average degree of digitalization

All-in-all, how high do you rate the degree of digitalization in your company?

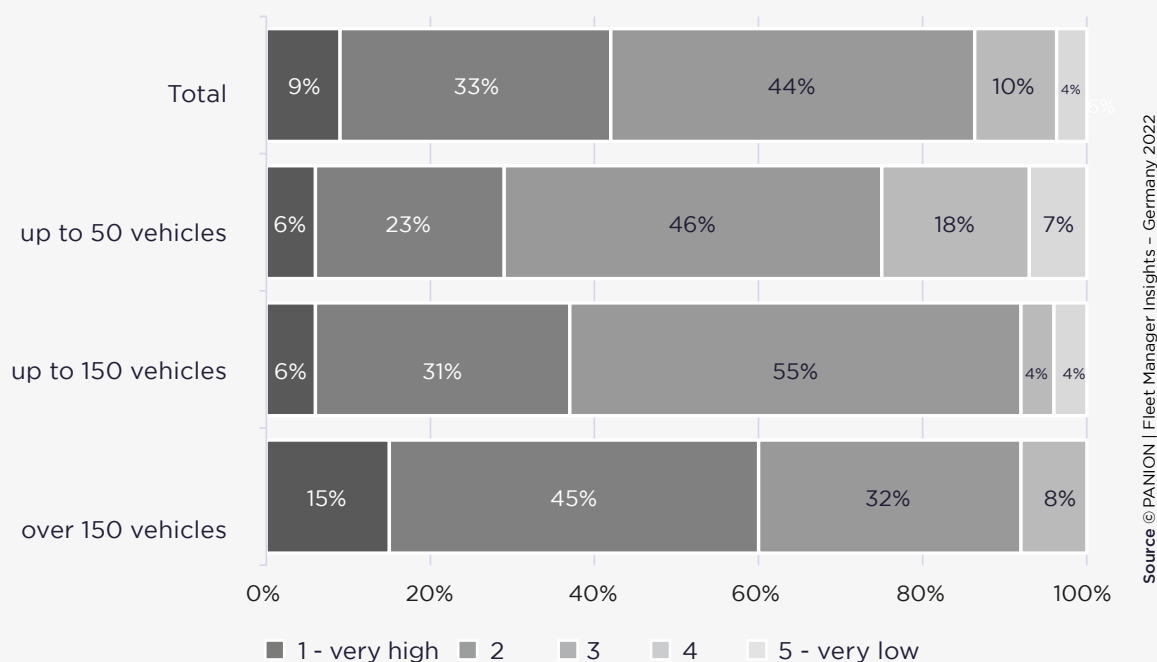


Figure 5 Digitalization in companies still has room for improvement.

to deal with this subject if it wants to be future-proof. In this context, it's not only the procurement of electric vehicles that is relevant, but in many cases also the establishment of a charging infrastructure and the introduction of suitable billing models for internal as well as external charging.

Additionally, the advantages of digitalization have apparently not been utilized by many fleets. Although only 42 percent of respondents rate the general level of digitalization in their company as high or even very high (Chart 5), the overall desire for more digitalization remains low. Only 16 percent would like to see more digitalization in their company.

At the same time, the desire for more digital tools increases with the size of the fleet, with 30 percent of large fleets already expressing this preference.

Only a minority (9 percent) see the need for external expertise. All the others believe they can handle this subject themselves. And in fact, there are only a few specific areas in which digitalization is to be carried out with external partners. If there are, then it's mainly in the fields of leasing, orders and charging infrastructure.

Many advantages: Linking e-mobility and digitalization

What is striking about the survey results is the combined skepticism of many companies towards both e-mobility and digitalization. After all, the linking of both fields offers enormous potential when digital tools also support fleet electrification in the short term. For example, range anxiety can be countered with modular programs whose algorithms enable the intelligent planning of charging processes.

Individual charging plans can thus be integrated seamlessly and flexibly into daily operations. And algorithms can also provide support in energy management and predict the actual energy requirements of fleets quickly and precisely. This avoids expensive peak loads and has a positive effect on the cost balance.

Speaking of costs: Besides vehicle procurement, the main cost driver in fleet electrification is the establishment of the smartest possible infrastructure supporting electric vehicles. This and the fact that e-mobility, as a relatively new technology, is still uncharted territory for many companies, are probably major reasons for the continuing reluctance of many fleet managers.

One thing is clear: anyone who decides to electrify their fleet will go through a learning curve. Nevertheless, fear of change alone should not be the reason to decide against fleet electrification. It's also clear that electrification is a challenge that can be mastered. Doing so in a completely analog way however, will hardly be possible. The world of e-mobility is already too digitalized today and digital tools ensure smooth fleet flow during preparation and in operational use. Electric fleets are already quite reliable, cost-efficient and time saving.



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We are PANIONeers!

As a corporate startup of ABB, we're charged by the unparalleled hardware and operations experience of a global electrification leader. We mix this with our fast, agile and customer-centric approach, resulting in electrification, charging and fleet software & planning built to futureproof.

Electrification is a complex and ever-changing world. A world that calls for agility, expertise and dedication. It also calls for a progressive, dynamic compANION to help you lead the way into the age of electrification and a world of sustainable transport. We're here to guide you.

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