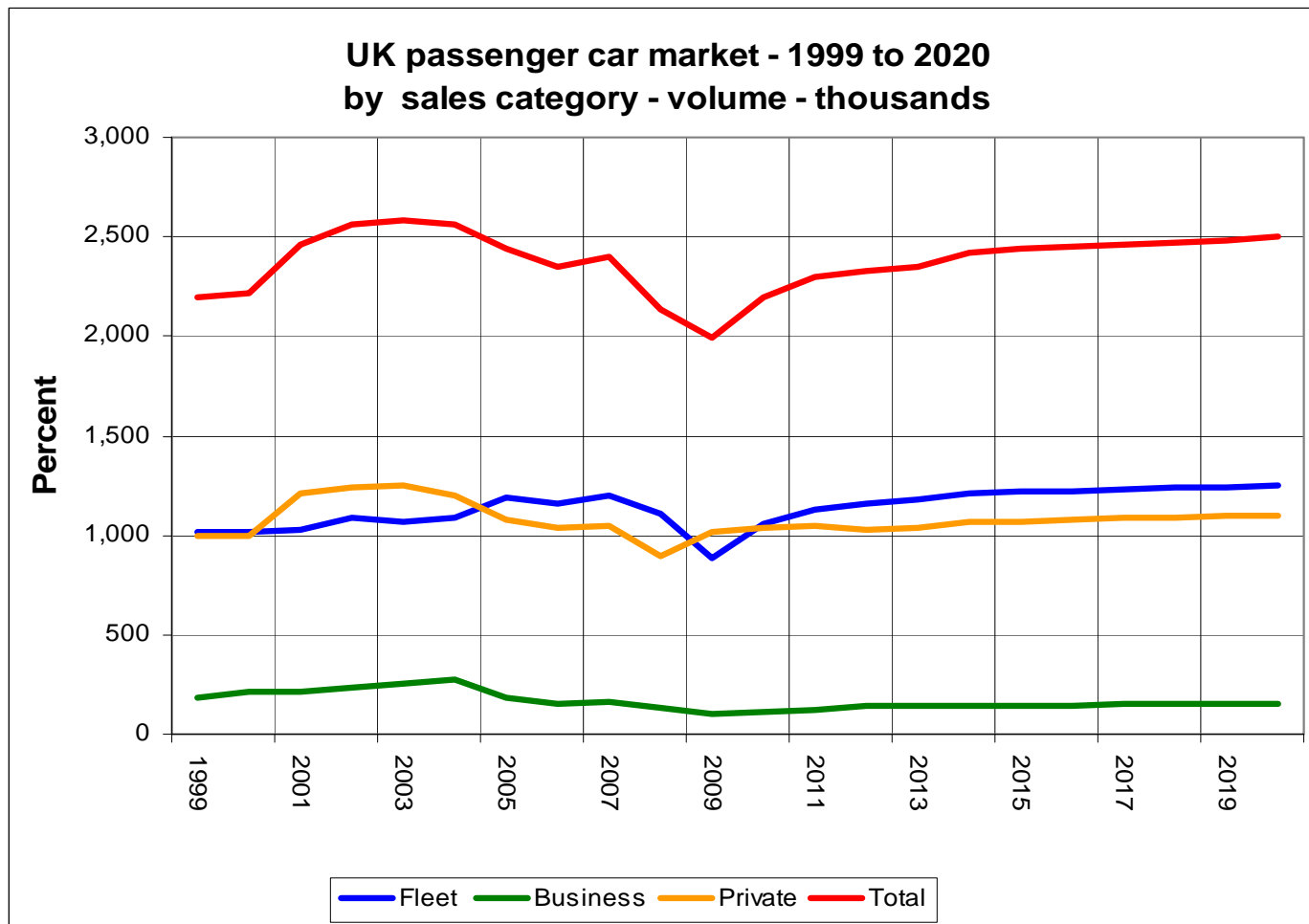


UK Fleet Market Potential for Alternatively-Fuelled vehicles



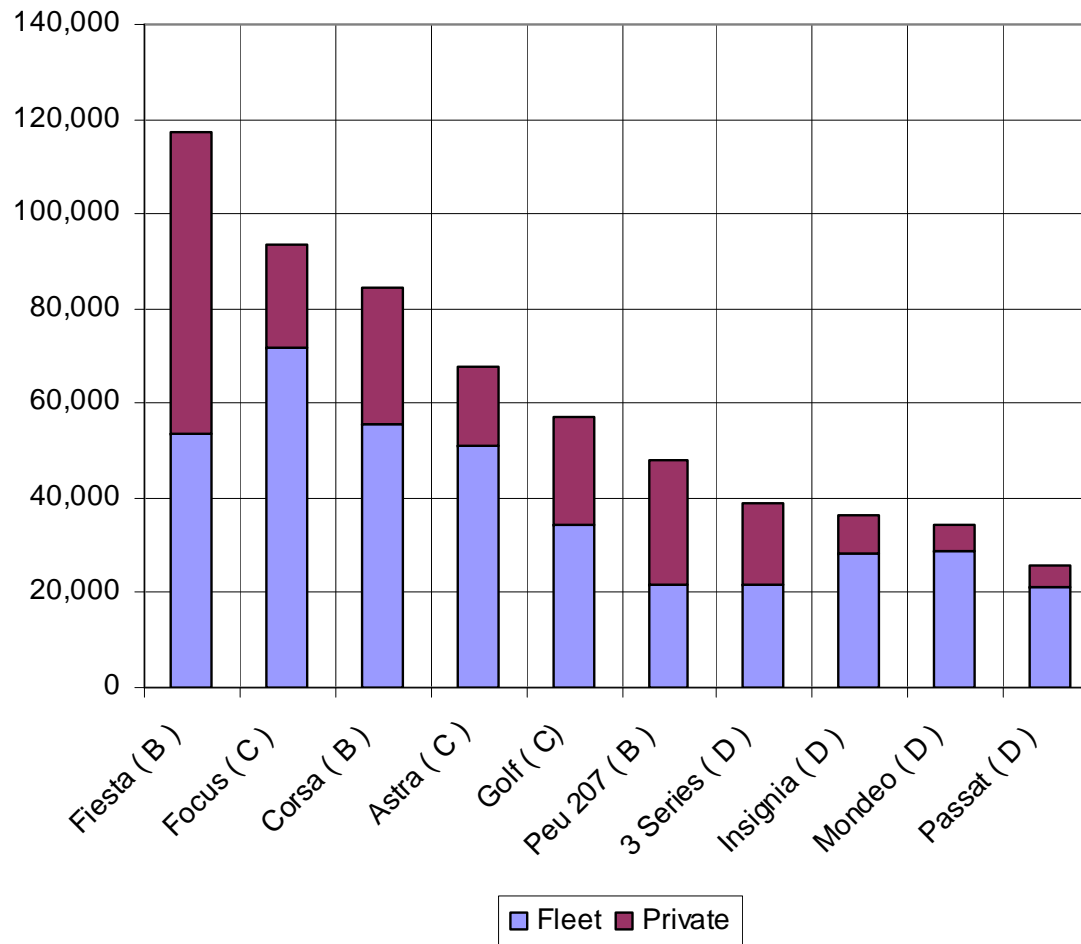
Prof Allan Hutchinson
Head, Sustainable Vehicle
Engineering Centre

MARKET OVERVIEW



MARKET OVERVIEW 2009

Fleet top 10 - sales by model - fleet vs private



MARKET OVERVIEW

UK: fleet sales account for 60% cars, or 64% all sales including light commercial vehicles (LCVs), per year

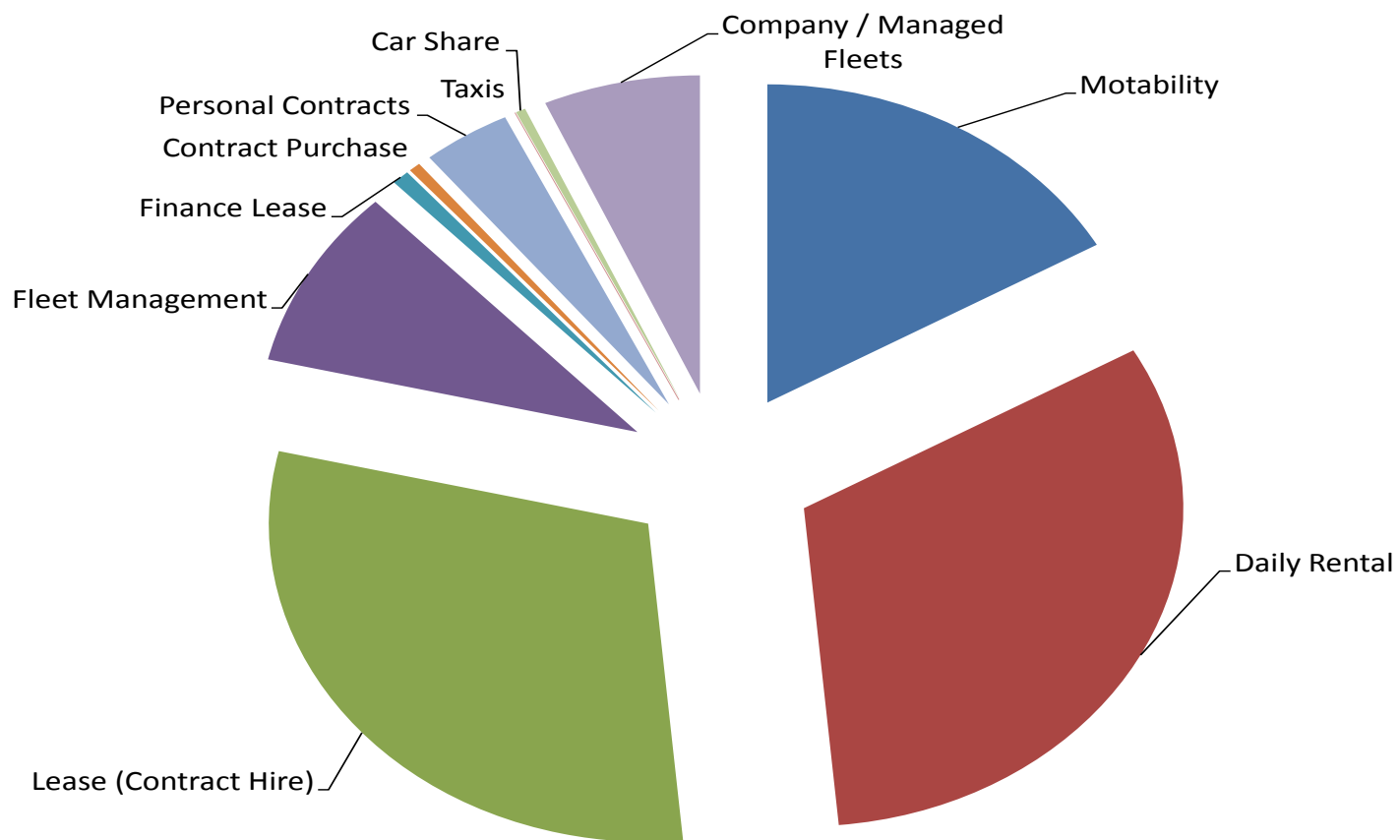
That was 1.2 million cars + 0.2 million LCVs in 2009, plus ~0.6 million private sales, making a total of ~ 2 million vehicles

Note that fleet business refers to fleets of 25 vehicles or more, so > 1.2 m cars are really in the 'fleet sales'.

Business sales are normally managed by fleet operating companies and are really part of the fleet market.

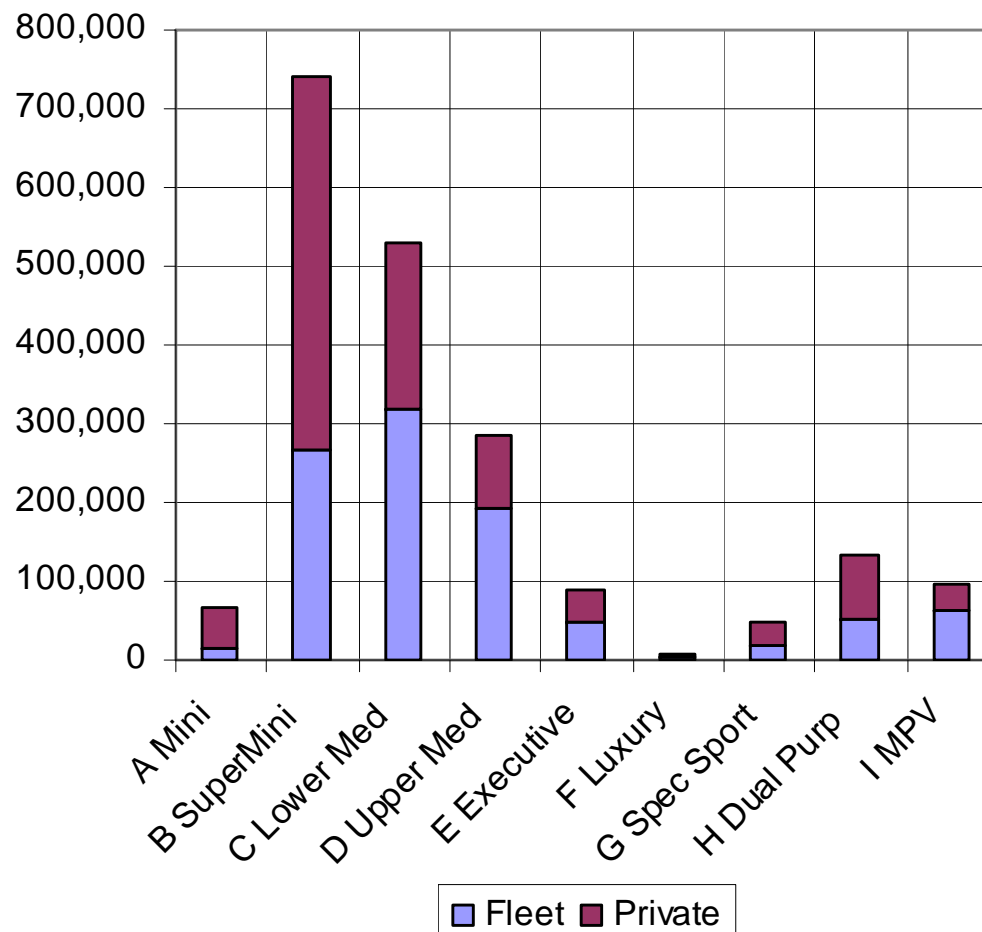
MARKET OVERVIEW

Fleet purchase patterns in 2009



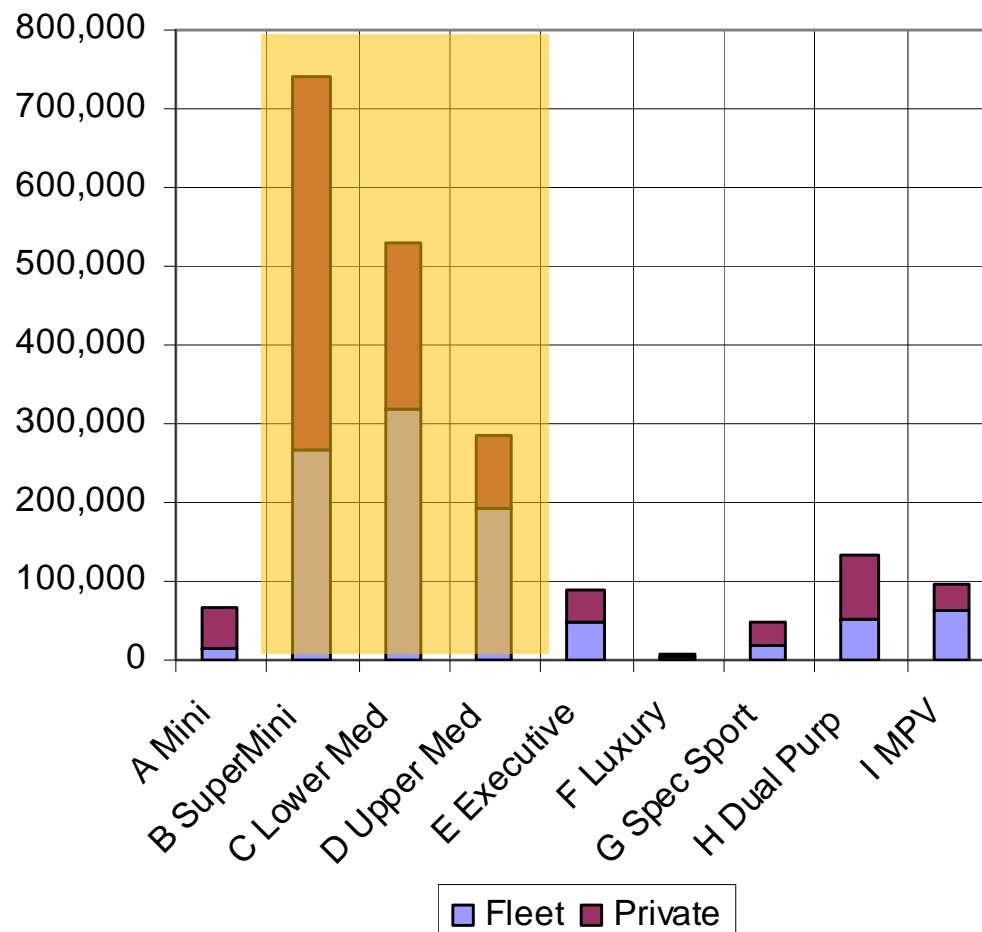
MARKET OVERVIEW

Passenger car sales volume by segment - 2009



MARKET OVERVIEW

Passenger car sales volume by segment - 2009



PREMIUM MARKET POTENTIAL

Assessed Total Market for Premium cars - 2009

Segment	Total Market	Premium Share	Premium Volume	Premium %
A Mini	68,098	0.00	0	0.00
B SuperMini	742,153	10.00	74,215	13.41
C Lower Med	530,849	15.00	79,627	14.38
D Upper Med	283,552	75.00	212,664	38.41
E Executive	90,114	100.00	90,114	16.28
F Luxury	6,547	100.00	6,547	1.18
G Spec Sport	46,467	50.00	23,234	4.20
H Dual Purp	132,472	40.00	52,989	9.57
I MPV	94,747	15.00	14,212	2.57
Total	1,994,999	27.75	553,602	100.00
Market Share	100.00		27.75	

FLEET MANAGER SURVEY

Background

The *Premium* sector spans several vehicle segments and accounts for some 28% of the total market.

The UK market regularly returns annual sales volumes of two million and above for passenger cars, suggesting some 560,000 vehicles in the *Premium* sector.

The fleet market is responsible for 63% of the *Premium* market, or 353,000 vehicles.

The D segment, upper medium, provides the greatest opportunity for AFVs because it accounts for 38% of the *Premium* market.

FLEET MANAGER SURVEY

Objectives

- 1 To develop a programme of research in consultation with a premium manufacturer
- 2 To define ~20 particular business customers
- 3 To establish company requirements and policies for compliance with carbon-reducing targets
- 4 To establish fleet purchasing policies, concerns and constraints with a specific focus on total cost of ownership, residual values and fuel savings.

QUESTIONNAIRE

34 questions in 8 categories:

- General questions on fleet
- Knowledge and consideration of AFVs
- Specific requirements of AFVs
- Reasons for considering AFVs
- Buying decisions on AFVs
- Additional support required from OEMs
- Government and tax incentives
- Car share schemes

FLEET MANAGER SURVEY

Total of 20 fleet managers took part in the survey

Fleet sizes ranged from 45,000 to 450

Total fleet size for all vehicles was 141,072

Passenger cars = 125,437

Commercial vehicles = 15,635

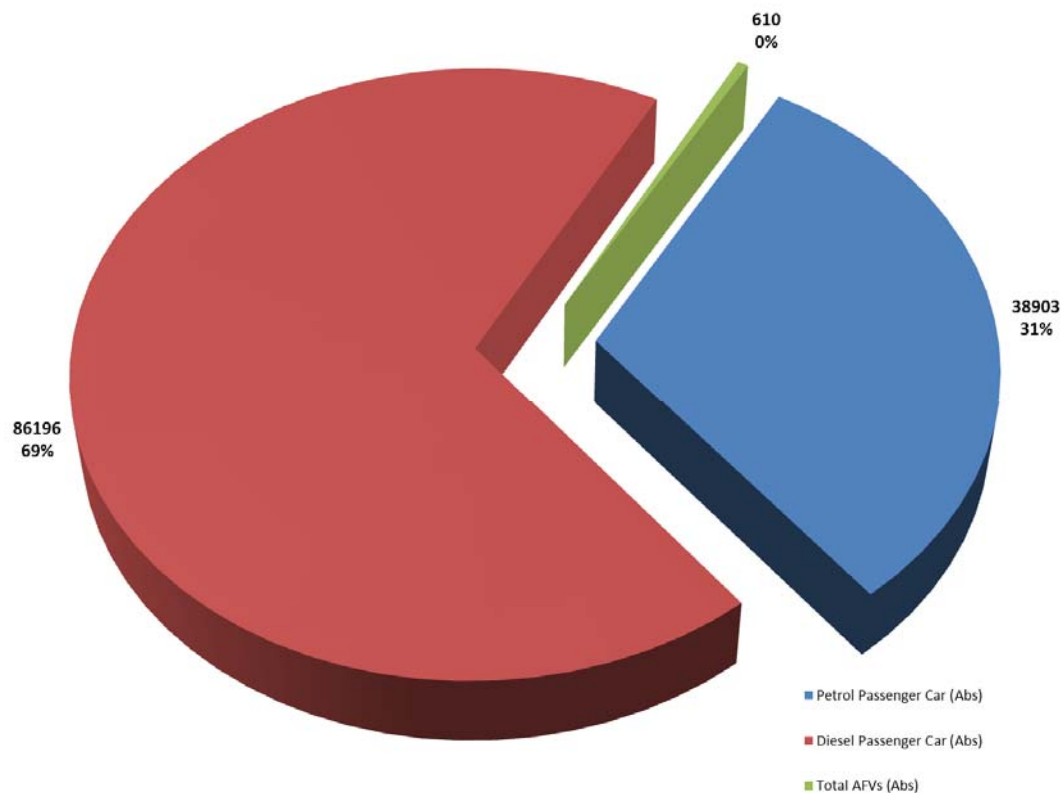
This was ~10% of the UK fleet market

FLEET PASSENGER CAR SPLIT BY FUEL TYPE

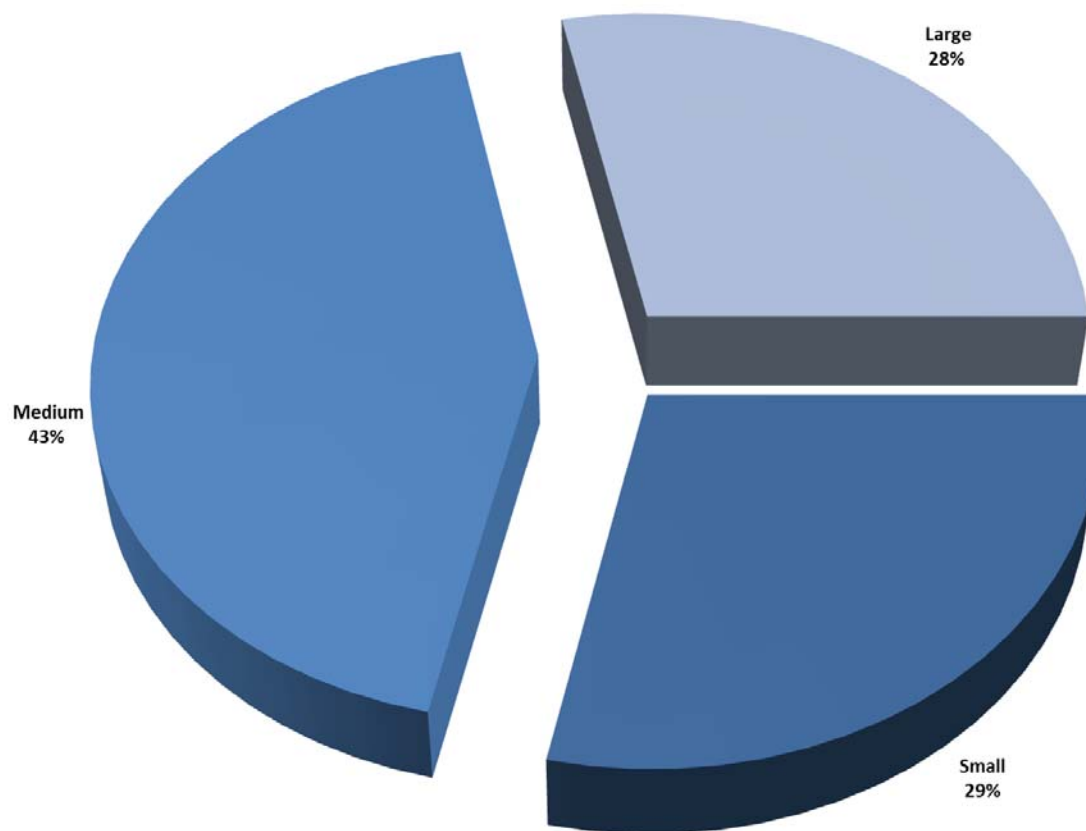
Fleet Vehicle Split

Only a very small number of AFVs are currently used in Fleet, with the majority of these vehicles being operated by a couple of companies.

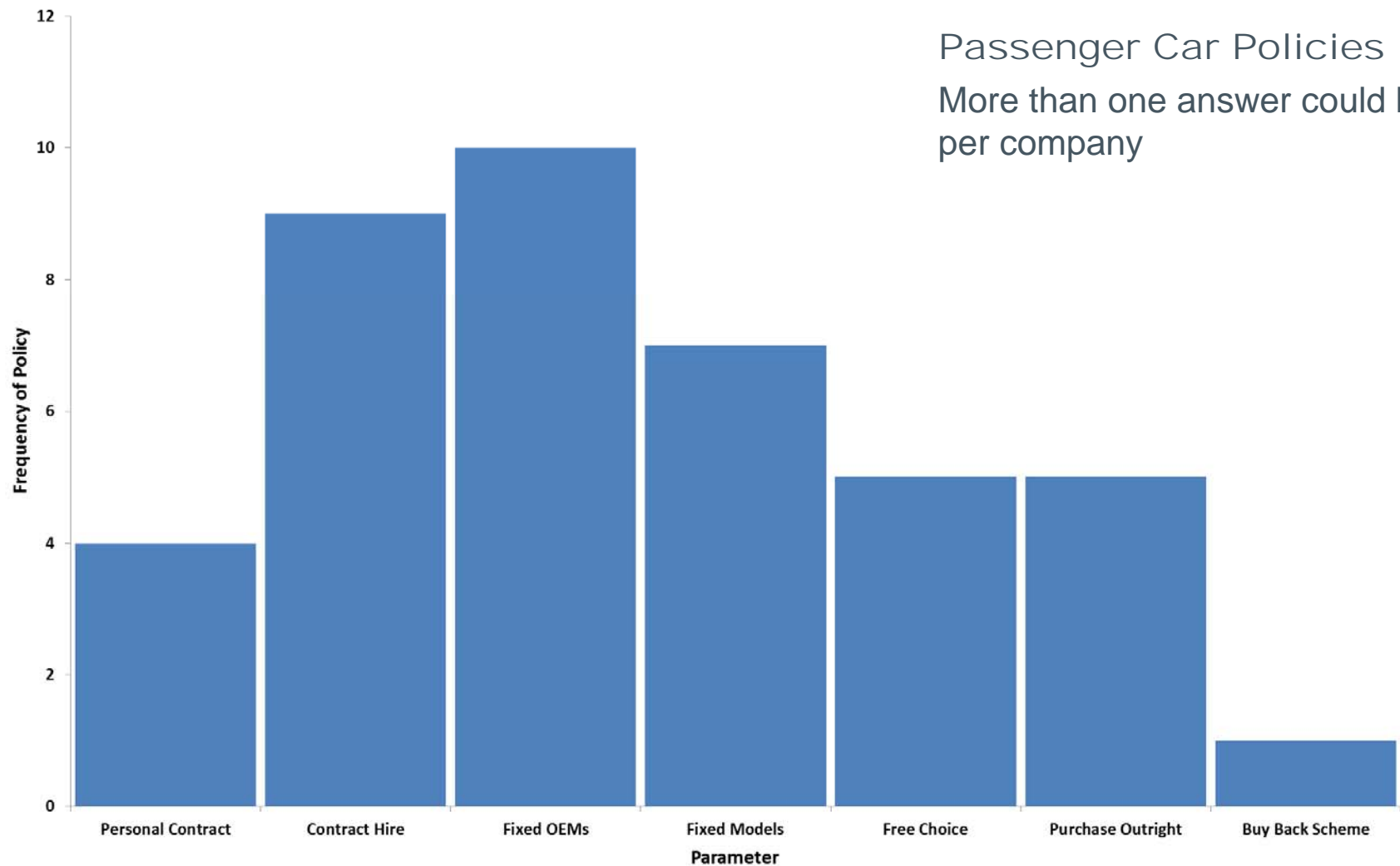
Majority of passenger cars were diesel, as expected.



PASSENGER VEHICLES SPLIT BY SEGMENT SIZE

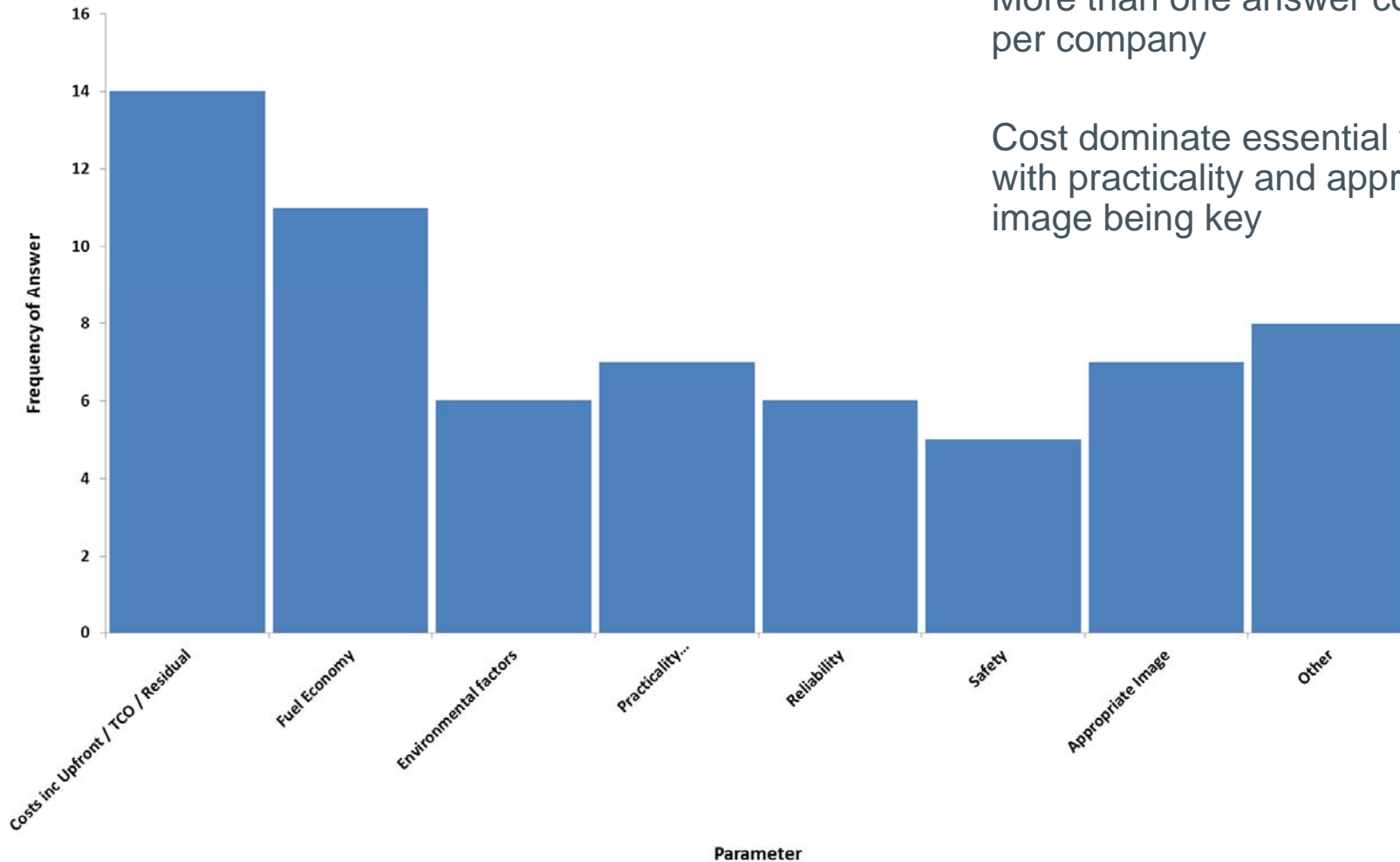


PASSENGER CAR PURCHASE POLICY



Passenger Car Policies
More than one answer could be given
per company

ESSENTIAL FEATURES FOR FLEET CARS



Essential Features

More than one answer could be given per company

Cost dominate essential features, with practicality and appropriate image being key

SUMMARY

Image

- Corporate customers were very mindful of the car image/brand and a low carbon premium vehicle is important.
- Image is very important and a 'cool' EV is desirable; many respondents wanted an electric premium upper medium saloon.
- Customers were positive about supporting a low carbon business philosophy, with additional weight being given to the need to 'be seen to be doing the right thing'. This was important for organisations trying to win work from the public sector.

SUMMARY

Requirements

- AFV uptake would need to be evaluated on a case-by-case basis.
- No real issues anticipated in terms of charging.

SUMMARY

Buying decisions

- Purchasing decisions currently used a TCO model.
- OEMs were expected to provide technical support, and driver training for maximum efficiency, for EVs at the purchase stage.
- OEMs were expected to provide the economic/financial purchasing model in order to remove the risk to corporate customers.
- There was great concern over unknown residual values for EVs in respect of their batteries. This represents a considerable uncertainty in purchasing decisions.
- Managers wanted lower total running costs for AFVs but were realistic to assume higher costs in the short term.
- Government incentives are important in the short term but the expectation and desire was for the market to decide in the longer term.
- Additional cost of an AFV could be shared between the company and the employee.

SUMMARY

Usership versus ownership

- Significant interest was expressed in **car share schemes**, to incorporate the grey fleet use.
- AFVs could be of interest for pool car use.
- Car share may be attractive if the administrative burden is minimised.
- Car share brings some concerns over the need to remove all belongings and documents from the vehicle; there may be security implications here.

UK Fleet Market Potential for Alternatively-Fuelled vehicles

THANK YOU FOR LISTENING

Prof Allan Hutchinson

arhutchinson@brookes.ac.uk

<http://go.brookes.ac.uk/svec>

With thanks to the TSB Low Carbon Vehicle Innovation Platform