



RENAULT NISSAN MITSUBISHI

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Businesses need smarter tech in their fleets to survive e-commerce boom

New data from Renault-Nissan-Mitsubishi highlights unpreparedness of small to medium-sized businesses to keep up with the growth of e-commerce

- Small businesses with fleets need smarter technology to improve delivery efficiencies
- Improved connectivity is considered most key to logistical success
- More than half of small businesses (55%) believe fleets will be fully autonomous within 20 years¹, by which point 66%² predict they will also be fully electric

Almost a fifth (18%)³ of small business leaders say the sheer pace of the fast-moving world of e-commerce and the rising demand for deliveries is the biggest business challenge they face logistically, closely followed by the ability to keep up with regulation changes (17%)⁴.

Small businesses surveyed across the globe also highlighted changing customer expectations for delivery times (12%)⁵ and urban traffic and congestion (11%)⁶ as key concerns.

While 40% of small businesses feel well set up for the increasing demands of e-commerce⁷, research commissioned by the Renault-Nissan-Mitsubishi LCV business – which is part of the Alliance, the world's leading automotive partnership – has shown that almost a third (30%)⁸ believe their business is not ready for these demands as they need smarter technology.

These businesses have cited the need for smarter technology to improve delivery efficiencies, particularly companies with fleet sizes greater than 25 vehicles (45%)⁹.

With tech front of mind for driving business efficiencies, 70% of all small businesses believe that better connectivity could improve their business¹⁰. In addition:

- 35% of small businesses already using smarter technology in their fleets said that business efficiency is the leading motivation for upgrading their vehicles¹¹, followed by cost-savings (21%) and increased sustainability (14%)¹².
- The ability to speak with companies and individuals to whom they are delivering is considered the leading benefit of connectivity for 30% of small businesses¹³.
- 29% of respondents also believe the capacity for vehicles in their fleets to communicate with each other is a key advantage of connectivity¹⁴, while 21% hope to use their vehicles as a third screen¹⁵.
- 55% predict their fleets will be fully autonomous in the next 20 years with 38% believing this may happen in as little as in 10 years¹⁶.

Ashwani Gupta, Senior Vice President of the Renault-Nissan-Mitsubishi LCV business, said:

"As on-demand consumerism continues to rise, this is a crucial moment to ensure small businesses feel empowered to succeed in e-commerce. We've heard from business leaders themselves that prioritising smarter technology for fleets will help to reach their customers with increased speed and scale - factors that are becoming ever more crucial for survival in this space.

"The Renault-Nissan-Mitsubishi LCV Business recognizes the importance of smart technology to increase efficiency and continues to work together to develop connected and autonomous vehicles that cater to the needs of business fleets of all shapes and sizes."

Renault offers fleet management services for its commercial line-up. Renault EASY CONNECT for Fleet is an ecosystem of connected services for business users that simplifies managing vehicle fleets and reduces running costs.

The survey also looked at the wider expectations for autonomous and electric vehicle technologies, which are primed to bring far-ranging benefits and efficiencies to business fleet owners. Encouragingly, business owners in multiple countries and from a variety of sectors, including retail, catering and leisure, sales, media and marketing and healthcare, are recognizing this technology as being the future of the logistics industry. This was reflected in Renault-Nissan-Mitsubishi's latest LCV business sales, which saw a 13.5% year-on-year increase, in part due to Renault's European EV van leadership, with a 46.2% market share. Reaching almost 2 million units, the numbers of trucks, vans and frame-based SUVs sold in FY18 was the highest number of sales in the organization's history.

Between now and 2022, the Alliance will launch 12 new zero-emission electric vehicles, utilizing new common electric vehicle platforms and components for multiple segments. Over the same period, 40 vehicles will be introduced with different levels of autonomy, all the way to fully autonomous capability.

Groupe Renault, whose electrified LCV line-up is comprised of the Kangoo Z.E., Master Z.E., Twizy Cargo, and Zoe Societe, has announced that 100% of its vans will be electrified by 2022. The Nissan e-NV200 small all-electric van is seeing a significant upswing in demand. In 2018, production was up by 50% compared to the previous year to reach a total of 6,000 units. Mitsubishi offers the MINICAB MiEV van in Japan as well as commercial versions of the Outlander PHEV in some global markets.

ABOUT THE ALLIANCE SMALL BUSINESS RESEARCH

This survey looked at the future of urban logistics and electrification among small business owners and logistics decision makers from a variety of industries within the UK, USA, China, France, Mexico, Australia and Japan. 3,257 global respondents of businesses with between 1 – 49 employees and with turnovers up to and above \$100 million turnover took part between 21.12.2018 - 07.01.2019.

ABOUT RENAULT-NISSAN-MITSUBISHI

Groupe Renault, Nissan Motor Company and Mitsubishi Motors represent the world's largest automotive alliance. It is the longest-lasting and most productive cross-cultural partnership in the auto industry. Together, the partners sold more than 10.6 million vehicles in nearly 200 countries in 2017. The member companies are focused on collaboration and maximizing synergies to boost competitiveness. They have strategic collaborations with other automotive groups, including Germany's Daimler and China's Dongfeng. This strategic alliance is the industry leader in zero-emission vehicles and is developing the latest advanced technologies, with plans to offer autonomous drive, connectivity features and services on a wide range of affordable vehicles.

www.alliance-2022.com

www.media.renault.com

www.nissan-newsroom.com

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REFERENCES

[1] Global survey results of 3257 respondents Q8 - *In your opinion, how long will it be before fleets are fully autonomous?* Cumulative figures derived from 13.9% responding "within the next 5 years", 23.7% responding "within the next 10 years", and 17.4% responding "within the next 20 years" – 55% in total

[2] Global survey results of 3257 respondents Q7 - *In your opinion, how long will it be before fleets are fully electric?* Cumulative figures derived from 20.3% responding "within the next 5 years", 29.5% responding "within the next 10 years", and 16.4% responding "within the next 20 years" – 66.2% in total

[3] [4] [5] [6] Global survey results of 3257 respondents Q2 - *Logistically, what is your biggest challenge as a business?* 17.8% of respondents answered "The growth of e-commerce and the rising demand for overall deliveries", 16.7% responded "keeping up with regulations", 11.6% responded "changing customer expectations for delivery times", 10.8% responded "urban traffic and congestion", and 10% responded "the need to become more sustainable".

[7] [8] [9] Global survey results of 3257 respondents Q4 - *Thinking about your fleet do you believe your business is well set up for the increasing demands of e-commerce?* 40.1% responded "yes", 29.6% responded "no, we need smarter technology to improve delivery efficiencies i.e. a service where our fleets talk to each other". This rises to an average of 45% of businesses when combining the following fleet size options '26-30 vehicles', '31-50 vehicles', '51-100 vehicles', 'More than 100 vehicles' into a 'Greater than 25 vehicles' option in our reporting software.

[10] Global survey results of 2527 respondents Q9 - *In your opinion, what are the benefits of connectivity to your business? (Tick all that apply)* 28.9% could not see any benefit to connectivity.

[11] [12] Global survey results of 3257 respondents Q3 - *What is your main motivation for adopting new technologies within your fleet?* 35.4% responded "business efficiency", 21% responded "cost saving" and 14% responded "to be more sustainable."

[13] [14] [15] Global survey results of 3257 respondents Q9 - *In your opinion, what are the benefits of connectivity to your business?* 30.3% responded "ability for businesses to speak with the companies and individuals they're delivering to." 28.9% responded "Ability for vehicles to communicate with each other," 21.2% responded "Ability to use the vehicle as a third screen."

[16] Global survey results of 3257 respondents Q8 - *In your opinion, how long will it be before fleets are fully autonomous?* Cumulative figures derived from 13.9% responding in 5 years, 23.7% saying in 10 years, and 17.4% saying in 20 years. Equates to 55% in total / 37.6% for 10 years.

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