



**2025** MARKET PULSE REPORT

# Navigating fleet management in 2025

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Data and insights shaping the future of fleet operations.





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## INTRODUCTION

Each year in the commercial fleet industry is like a single flake of snow. From a distance, they blend together, one indistinguishable from the next. But upon closer examination, we would see that each is unique, with features and characteristics differentiating it from all others.

So, what makes 2025 unique? What are the prevailing attitudes and strategies that will drive fleet decision-making over the coming year?

To get to the heart of these questions, we surveyed fleet and business leaders across the United States and Canada. The key findings are the basis of **Element Fleet Management's 2025 Market Pulse Report**.

In broad strokes, fleet leaders express optimism about future growth and technological advancements. This growth outlook is tempered, however, by a strong desire to maintain operational stability.

The findings contained in this report suggest fleet leaders are taking a cautious and nuanced approach to the year ahead. These insights and data can help light the path for your own decision-making throughout the year.

*Steven Jastrow*

**Vice President**  
Advisory & Analytics

## Key findings at a glance

**43%** expect to maintain fleet size

**73%** prioritize vehicle ordering and replacement

**69%** observe improvements in the OEM production market, but not fully normalized

**61%** prioritize lowering TCO to offset inflation

## MARKET OUTLOOK

# Pragmatic mindset of fleet leaders prioritizing the operational stability

Fleet operators are clearly shifting their priorities to tackle the economic and operational challenges coming their way. Right now, it's all about cost savings and reducing the total cost of ownership (TCO)—a practical move to stay ahead of inflation. At the same time, there's been less focus on electrification only sustainability strategies, as many are putting long-term goals on hold to focus on immediate financial stability.



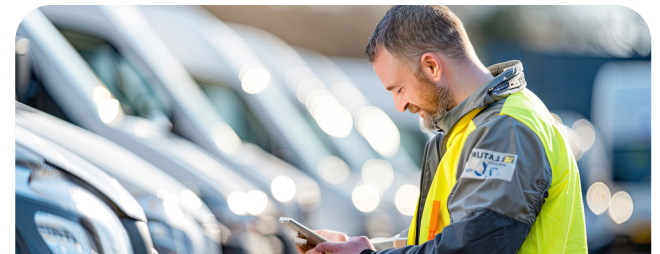
### Challenges force fleet operators to reconsider investments

- The focus on decarbonization and sustainability has dropped sharply, with only 20% prioritizing it in 2025 compared to 41% in 2024
- 14% will increase budgets to address inflation



### Fleet operators focus on reducing costs for profitability

- 61% will prioritize cost savings in 2025
- 51% will focus on lowering TCO to address price inflation



### Fleet operators prioritize seamless operations amid production challenges

- In 2025, 43% hope to expand their fleet gradually, compared to 2024 when 33% preferred gradual expansion and 58% chose to maintain their fleet size
- The focus on vehicle downtime has almost doubled, with 31% prioritizing it in 2025 compared to just 17% in 2024

## MARKET OUTLOOK

# Heavy emphasis on professional advisory and associations for guidance

Most fleet operators actively seek expertise and guidance from their professional connections when researching fleet solutions. While online forums and social media offer quick access to information, they tend to carry less influence in the decision-making process.



**Fleet operators prioritize professional connections over independent research to gather insights into fleet solutions**

**76%** Consultation with vendors

**61%** Professional association



**Limited engagement with social media and online forums as useful sources of information**

**18%** Online forums and discussion groups

**14%** Social media platforms

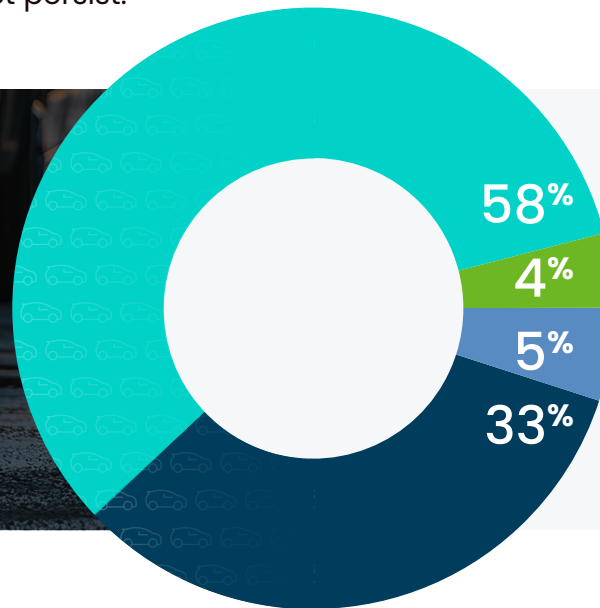


## FLEET GROWTH

# Production normalizes for OEMs, but fleets navigate lingering shortages

Despite a reported return to normal production for OEMs, the organizations still faces challenges due to pandemic-driven shortages. While there has been steady growth in the OEM market, it is still lagging behind pre-pandemic levels. Most fleet operators hope to gradually adding units, however, they remain steady on their overall fleet size as limitations in the OEM production market persist.

How do you expect fleet size to change in 2024?



Maintain fleet size

Consolidate units

Grow fleets rapidly

Add units slowly

Do you think the OEM production market is getting back to normal?

69% Observing some improvement, but not fully normalized

20% Experiencing delays and disruptions still

6% Depends on specific OEMs or regions

4% Fully normalized now, no disruptions

## FLEET PRIORITIES

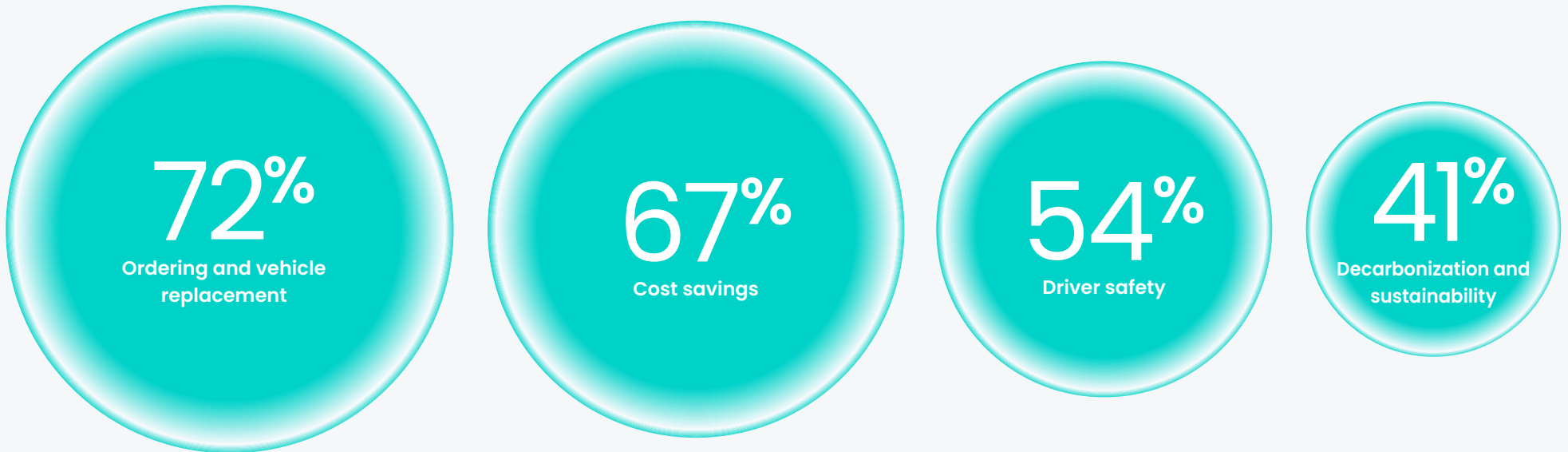
# Fleets prioritize operational savings over strategic investments

In response to economic uncertainties and increasing pressure for efficiency, there has been a noticeable shift towards addressing immediate concerns rather than implementing strategic changes in fleet operations.

Ordering or replacing vehicles, cost savings and driver safety top the list of fleet priorities, highlighting the importance of financial stability and employee well-being.

Despite a decline in the focus on decarbonization and sustainability, procurement and operations roles have identified these initiatives as priorities, creating potential for collaboration and alignment in addressing sustainability concerns.

### What are your fleet priorities in the upcoming year?



With a heightened focus on reducing TCO, the importance of preventive maintenance has never been higher. Leveraging real-time data to monitor fleet performance helps to ensure that vehicles are properly maintained, minimizing unscheduled, expensive repairs, especially when replacement cycles are extended.

**Manpreet Rana**

Vice President, Maintenance &  
Contact Center Operations



## ECONOMIC PRESSURES

Fleet operators are feeling increasing pressure to reduce costs and drive operational savings. They are looking at strategies such as lowering TCO and maintenance costs to achieve this.

Additionally, they are prioritizing immediate and scalable solutions over making long-term investments. As a result, many companies are rightsizing their fleet and identifying vehicles that can be replaced with lower cost assets based on job class:



### Prioritize critical expense drivers that make the most impact on bottom-line

- Lower TCO 61%
- Reduce maintenance cost 51%
- Leverage technology to reduce costs e.g., Telematics 37% (57% are already using telematics or connected vehicle solutions and not entail new investments)

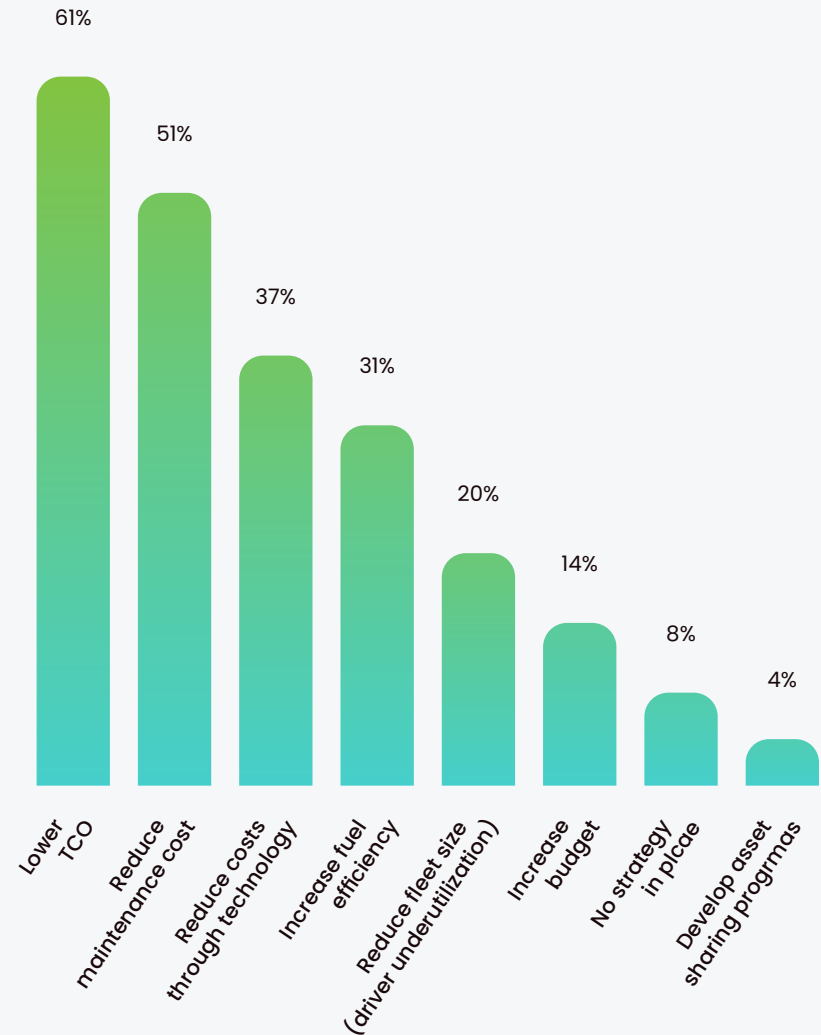


In light of the current economic pressures, fleet operators look for immediate and scalable solutions rather than long-term investments to transform operations



Rightsizing and identifying vehicles that can be replaced and transitioned to a cheaper asset based on the job class is a current practice for many fleets.

### What are your top strategies to mitigate economic risk?



## DRIVER SAFETY

# Strong focus on safety, tech adoption lagging behind

Historically, our clients have seen first-hand value from driver safety technology. They're a game-changer keeping drivers safer on the road and cutting down on long-term costs.

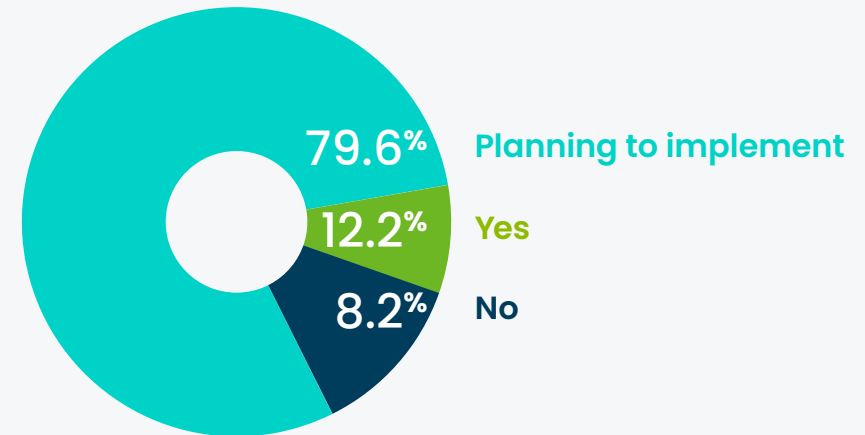


**Anthony Landgren**  
Associate Client Advisor,  
Strategic Advisory Services

Driver behaviour remains a top priority for fleet operators, with nearly half citing it as a major issue impacting safety and leading to accidents and fines.

There's room to grow when it comes to using technology to support driver safety. Surprisingly, only half of fleet operators use driver safety tech, even though 80% have set safety goals.

Has your organization implemented driver safety goals or initiatives?



To what extent has your organization adopted driver safety technology?

**51%** Actively using driving safety technology

**31%** No plans to adopt driver safety technology in the next year

**18%** Planning to adopt driver safety technology in the next year

## TELEMATICS

# 2025: Connected future for assets

Connected solutions offer organizations the chance to improve driver performance and reduce vehicle management costs. These solutions can be customized to meet specific fleet needs, such as promoting driver safety, optimizing asset utilization, identifying fuel fraud, tracking decarbonization progress, ensuring regulatory compliance, and achieving broader business objectives.



**Kimberley Clark**  
Director, Product Strategy

The current pulse of fleet operators indicates a promising future for connected solutions in the fleet industry.

And for good reason – fleet leaders are seeing the value telematics provide in terms of effectively managing assets and improved driver safety.

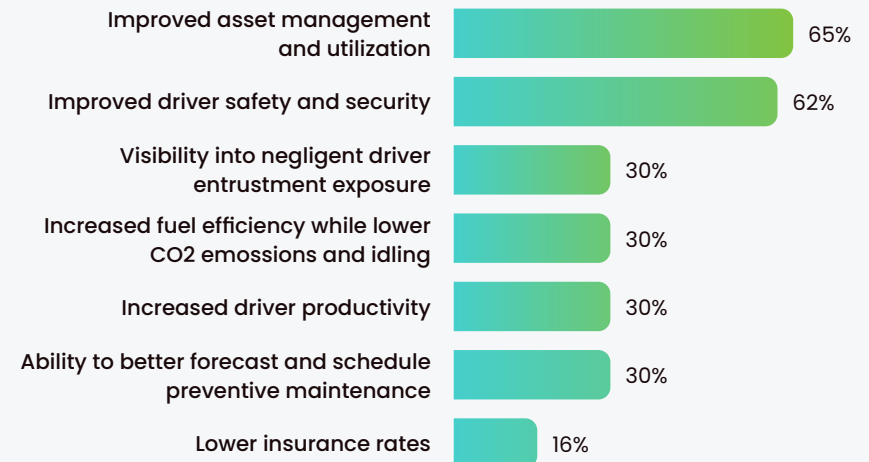
Do you currently use a fleet telematics or connected vehicle solution?

57% Yes

24% No, this is not a current consideration

18% No, but we are considering adoption within the next year

What are the most important outcomes your company is seeking in an integrated telematics program?



## STRATEGIC CHALLENGES

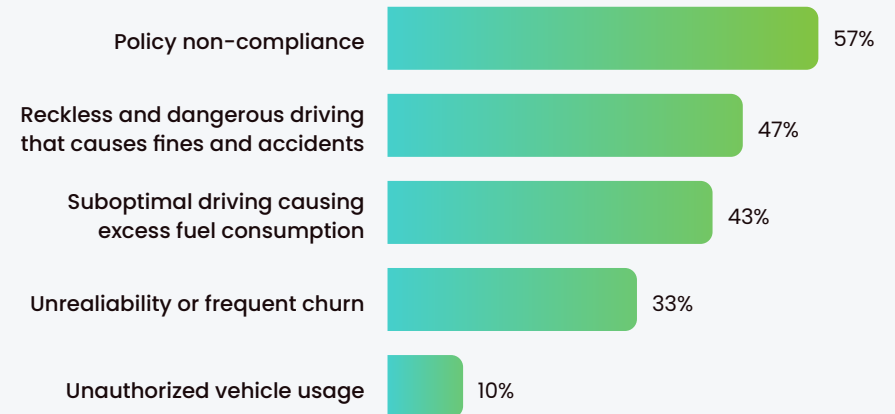
# Fleet headwinds anticipated for 2025

With an increase in driver volume, policy non-compliance has emerged as a primary concern for over half of the respondents.

Additionally, almost half of the response groups identified reckless driving as a top challenge, emphasizing the urgency of addressing this issue. These concerns were most prevalent among fleets ranging from 500 to 2000 units, indicating that larger fleets may face more difficulties managing driver behavior.

Many respondents also cited excessive fuel consumption due to suboptimal driving behavior as a concern.

### What are the biggest challenges your company faces with drivers?



Business leaders are increasingly prioritizing decarbonizing their fleets. By incorporating hybrid or alternative vehicles into their operations, they are reflecting a growing industry trend to explore diverse, sustainable solutions.

**Avninder Buttar**

Senior Vice President and  
Head of Electrification



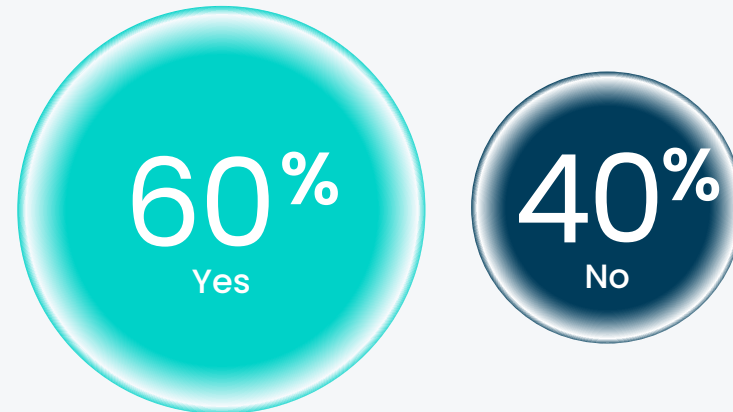
## DECARBONIZATION SOLUTIONS

# EV slowdown, hybrid up-tick

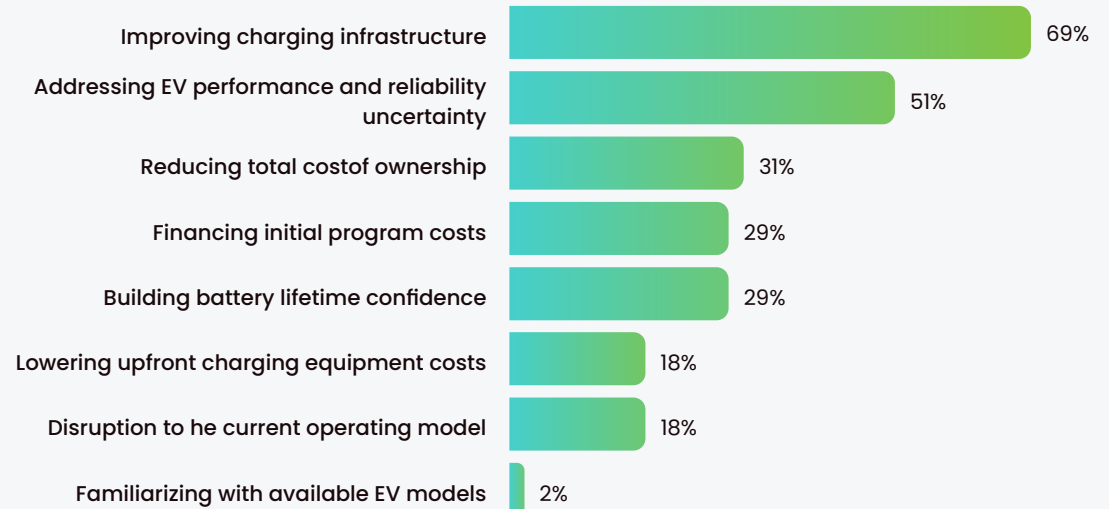
Many respondents indicated they are slowing the transition to electric vehicles as a strategic priority. This is mainly due to concerns about charging infrastructure, range anxiety, and the total cost of ownership. Despite this slowdown in EV initiatives, there is still significant interest in hybrid vehicle options among over 60% of respondents. The trend is that this interest is growing in proportion to fleet size.



If you do not have any EV initiatives, are you interested in adding hybrid vehicles or other alternative fuel vehicles to your fleet?



### What are the key factors influencing your fleet electrification decisions?



## REMARKETING

# A return to normal markets

The automotive market is finding its stride post-COVID, bringing both opportunities and challenges. With OEM production back on track and used car sales rising, prices have finally cooled, making it easier for buyers. Organizations are also cycling out stored assets, boosting sales even more.

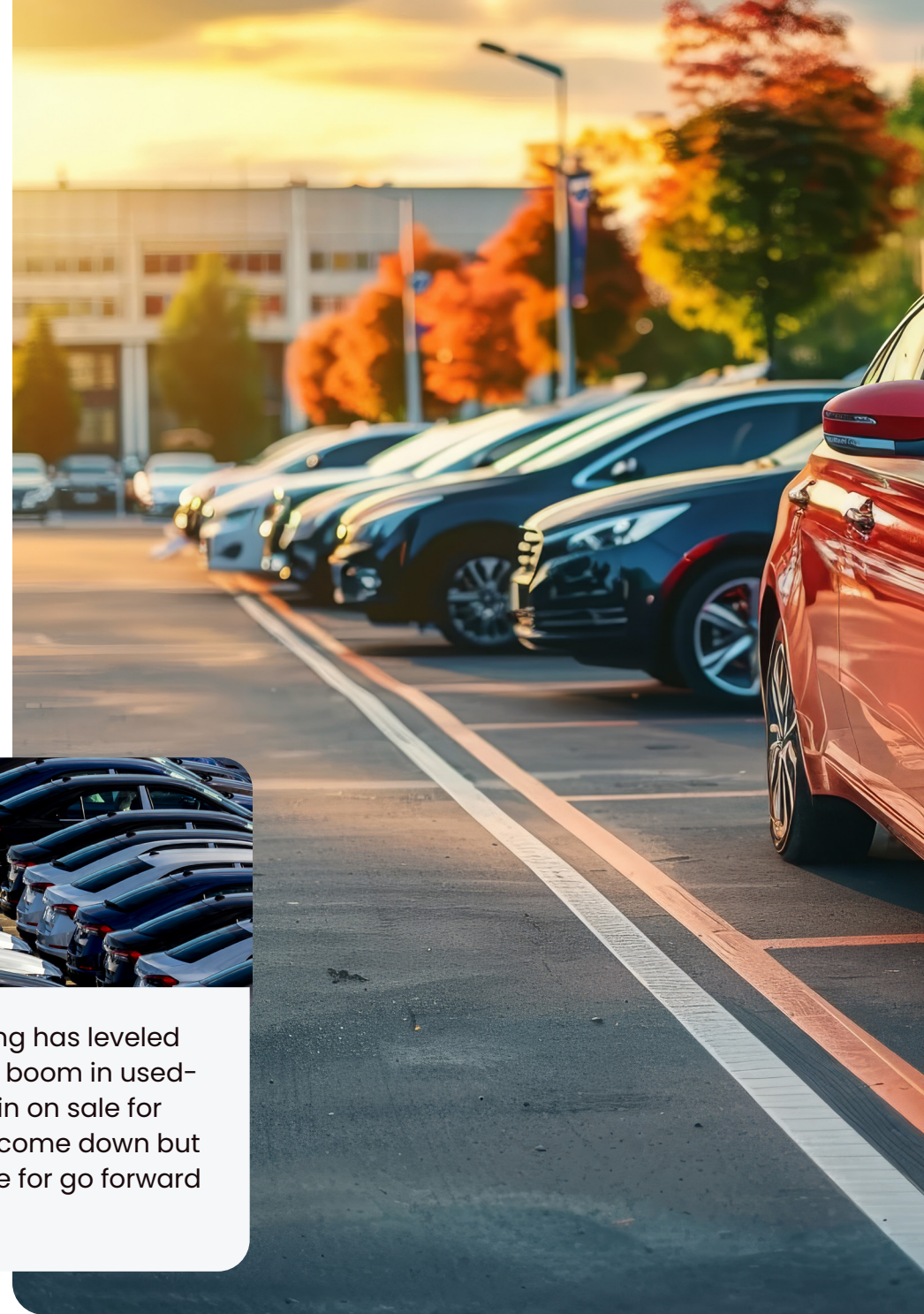
Conversely, used car prices have leveled off after the COVID boom, cutting into profit margins. While this impacts short-term gains, it adds much-needed predictability for future planning and strategy.



As OEM production schedules have improved used vehicle sales volumes has increased which has allowed prices to come down to normal levels.



Used-vehicle pricing has leveled off after the COVID boom in used-vehicle pricing. Gain on sale for organizations has come down but is more predictable for go forward strategies.



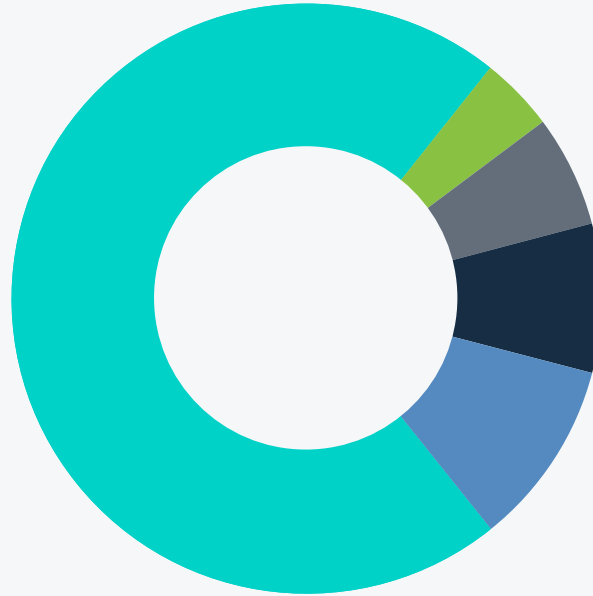
## SURVEY METHODOLOGY

# Get to know our respondents

Element's 2025 Market Pulse Survey was fielded over a two-month period with about 50 respondents from Canada and the United States.

**84%** Fleet Management Company

**16%** Self-Managed



**4.1%** Safety / Risk

**6.1%** Human Resources

**8.2%** Sourcing / Procurement

**10.2%** Finance / Treasury

**71.4%** Operations / Fleet





## Why Element

**1.5 million** units under management

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**1.5 billion+** cost savings identified for clients in 2024

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**20+ years** average client tenure with unrivaled client experience

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**12+ years** average industry experience amongst our strategic advisors



## About Element Fleet Management

Element Fleet Management (TSX: EFN) is the largest publicly traded pure-play automotive fleet manager in the world. As a Purpose-driven company, we provide a full range of sustainable and intelligent mobility solutions to optimize and enhance fleet performance for our clients across North America, Australia, and New Zealand. Our services address every aspect of our clients' fleet requirements, from vehicle acquisition, maintenance, route optimization, risk management, and remarketing, to advising on decarbonization efforts, integration of electric vehicles and managing the complexity of gradual fleet electrification. Clients benefit from Element's expertise as one of the largest fleet solutions providers in its markets, offering economies of scale and insight used to reduce operating costs and enhance efficiency and performance. At Element, we maximize our clients' fleet so they can focus on growing their business.

To learn more, visit [elementfleet.com](https://www.elementfleet.com)