5TH ANNUAL MARKET PULSE REPORT

Navigating fleet management in 2026

Data and insights shaping the future of fleet and mobility

element
Intelligence in motion

About the report

For five years, we've set out to understand how fleet and business leaders are navigating an increasingly complex operating environment. Inside, you'll find a clear view of the trends shaping fleet operations today. More importantly, you'll see how your peers are responding, where they're investing, where they're pulling back, and how they're balancing immediate priorities with long-term transformation.

Table of contents

A perspective shaped by scale and experience

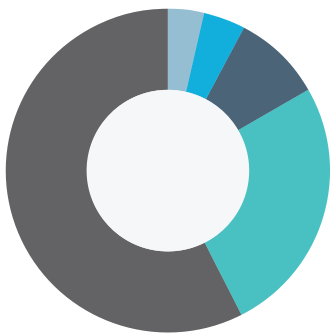
The insights in this report are drawn from Element's 2026 Market Pulse Survey, fielded over a two-month period with fleet managers and business leaders across North America.

24% Canada | 21% Mexico | 55% U.S.

Our respondents represent a broad cross-section of industries and roles, with the majority directly responsible for fleet operations and performance. What sets this perspective apart is the depth of real-world experience behind it. This is shaped not only by survey responses, but by ongoing conversations, advisory relationships, and day to day decision-making across thousands of fleets. You'll see these perspectives as quotes from our strategic experts throughout the report.

This combination of data and practical insights offer a more complete view of the market, grounded in what organizations are actually navigating, prioritizing, and implementing today.

Area of responsibility



58% Operations and fleet

26% Sourcing and procurement

9% Finance and treasury

4% Human resources

3% Safety and risk

Five years of change and a clearer direction forward

Reaching a fifth edition of the Market Pulse Report offers a unique opportunity to step back and look at how the industry has evolved.

2022

Disruption and constraint defined the landscape

As the industry grappled with ongoing pandemic aftershocks and global supply chain breakdowns, fleet leaders were forced to operate in a highly constrained environment with limited vehicle availability. Despite these challenges, **82% of organizations had already begun their electrification journey,** signaling early momentum toward long-term transformation.

2023

Inflation and recession concerns reshaped priorities

With rising inflation and economic uncertainty dominating the macro environment, fleet leaders shifted focus toward cost control and risk mitigation while still pursuing growth. This is reflected in the data, with **88% of respondents expressing concern about rising prices and inflationary pressures,** making cost management a central strategic focus.

2024

Stability returned, but caution remained

As supply chain pressures began to ease and organizations entered a more predictable planning cycle, fleet leaders adopted a more measured, “stay the course” mindset. In fact, **60% of respondents planned to maintain their existing fleet strategy,** reinforcing a preference for consistency over major strategic shifts.

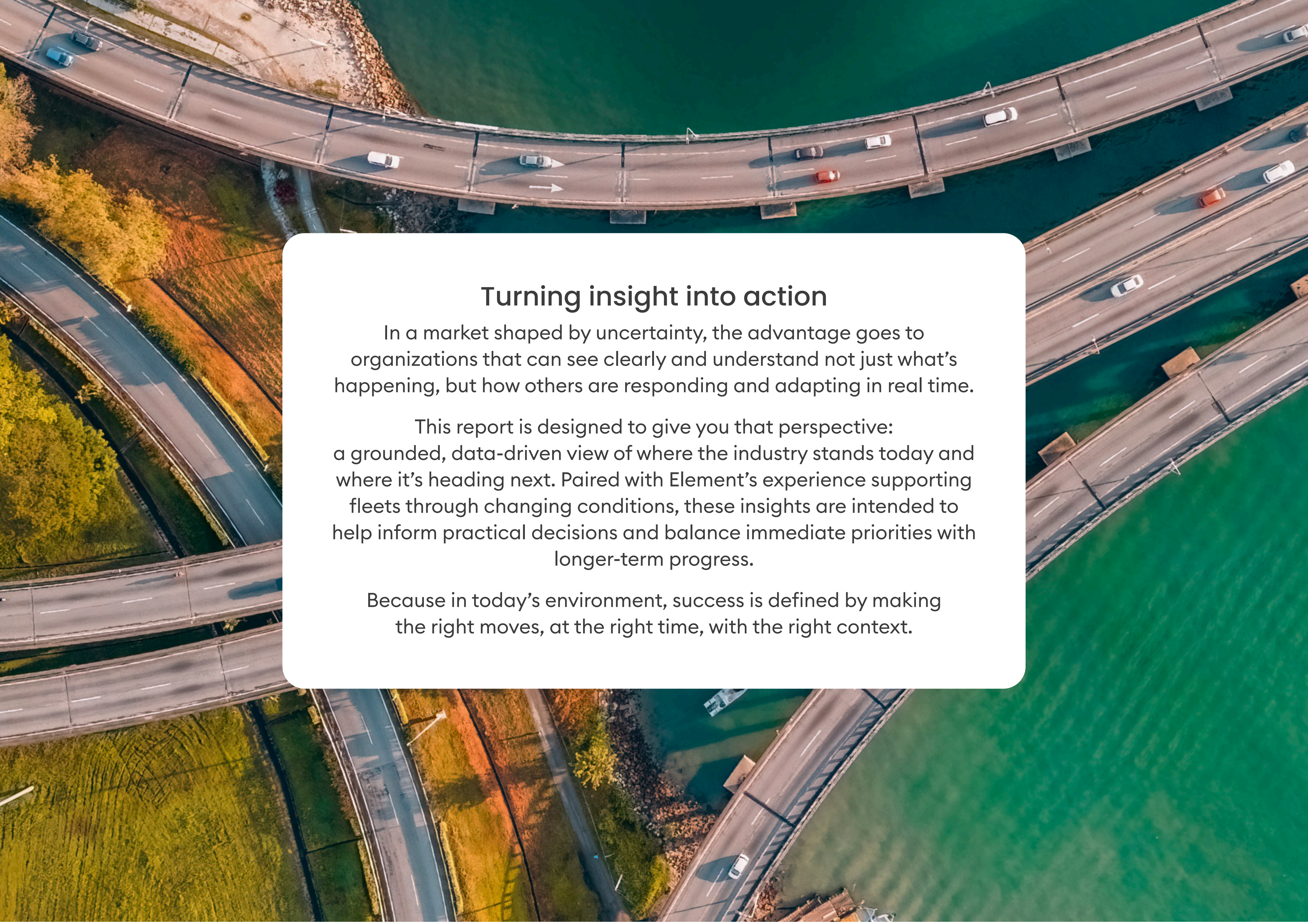
2025

Operational discipline takes priority

In a still-uncertain economic climate shaped by inflation and emerging cost pressures, fleet leaders doubled down on efficiency and operational control. This shift is evident as **61% prioritized cost savings and lowering total cost of ownership (TCO),** while fewer organizations emphasized longer-term transformation initiatives like electrification.

Today, the picture is more defined.

Fleet leaders are operating with greater discipline by prioritizing cost control, operational stability, and measured decision-making, while making targeted investments in technology, safety, and future mobility.



Turning insight into action

In a market shaped by uncertainty, the advantage goes to organizations that can see clearly and understand not just what's happening, but how others are responding and adapting in real time.

This report is designed to give you that perspective: a grounded, data-driven view of where the industry stands today and where it's heading next. Paired with Element's experience supporting fleets through changing conditions, these insights are intended to help inform practical decisions and balance immediate priorities with longer-term progress.

Because in today's environment, success is defined by making the right moves, at the right time, with the right context.

LEADING WITH DISCIPLINE IN A TIME OF UNCERTAINTY

Element's fifth annual Market Pulse Report captures how fleet decision-makers across North America are balancing priorities. From tariff-driven cost volatility to the growing influence of AI, the past year introduced new pressure points for fleet leaders, which have clearly shaped how they are approaching 2026.

The findings point to a stability-first mindset, paired with cautious experimentation and informed planning to prepare for what's next. Their priority for 2026 is clear: keep operations running smoothly and keep drivers on the road safely while making smart, selective moves toward what's next. Cost pressures have not relented, so decisions are grounded in discipline and resilience.

Still, there's growing curiosity around technology, alternative mobility, and energy options, all of which are likely to be explored carefully, with a close eye on real-world impact.

As you read through the report, I'm confident that it will help clarify which decisions can't wait, which ones can, and where careful experimentation may pay off.

Steve Jastrow
Senior Vice President,
Strategic Advisory and Analytics

Key findings at a glance

78% of fleet leaders prioritize cost savings in 2026

54% report moderate to significant operational impact from tariffs

53% are exploring AI and digital tools

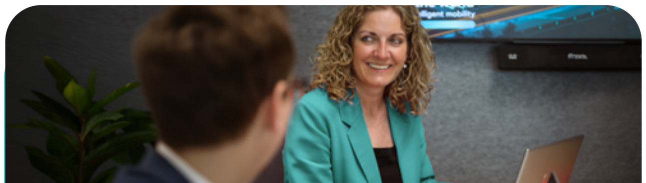
50% expect to maintain current fleet size

19% are in the early stages of transitioning their fleet to electric vehicles (EVs)

MARKET OUTLOOK

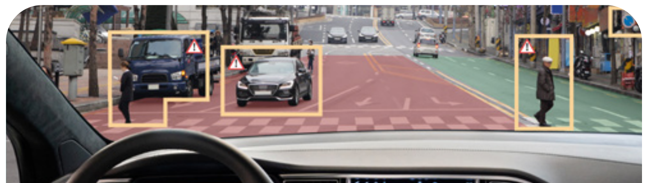
Fleet leaders balance resilience with measured change

Fleet leaders have approached 2026 with a clear sense of what matters most. After a year that reinforced the importance of stability and discipline, they now prioritize cost control, cautious growth, and practical decision-making.



Cost discipline takes centre stage

- Cost savings have emerged as the dominant priority for fleet leaders in 2026, increasing by 17% to 78% compared to last year's figure of 61%.
- Rising operating costs and economic pressure have reinforced a cautious approach to spending. Fleet leaders are closely scrutinizing decisions tied to growth, replacement timing, and technology adoption.



Technology adoption moves forward cautiously

While fleet leaders remain cautious about major investments, they're increasingly interested in digital tools.

- Prioritization of digital adoption has increased by 3% compared to last year.
- AI and digital tools are being used tactically, primarily to strengthen driver safety (67%) and reduce costs (61%).

Keeping an eye to the future

Fleet leaders are beginning to look toward future-focused solutions, without losing sight of the need for stability today.

- **EV transition is gaining momentum:** The share of fleet leaders in early planning stages has increased by around 11% year-over-year.
- **Alternative mobility is moving from concept to action:** Approximately 31% of fleets are already considering, piloting, or actively using these options.
- **Short-term rentals lead adoption:** 54% are currently using or considering short-term rentals.

> In 2026, fleet leaders are prioritizing decisions that feel both smart and well-informed. In an environment defined by uncertainty, resilience comes from clarity, and knowing where to focus today while still moving forward with confidence.

Christyl Akseraylian
Vice President, Client Experience

FLEET GROWTH

Cautious fleet growth as leaders manage cost and uncertainty

This year, fleet leaders are taking a stability-first approach to growth. Roughly half of fleet leaders plan to maintain their current fleet size, while others anticipate only gradual additions as they manage rising costs, tariff impacts, and an uncertain economic outlook.

Replacement cycles are also being extended. Tariff-driven increases in vehicle costs are leading 36% of fleet leaders to delay replacements where feasible. Instead, they're emphasizing maintenance, utilization, and lifecycle optimization.

> In an uncertain environment, fleet leaders are prioritizing stability and extending asset life by implementing measures such as preventative maintenance to maximize vehicle longevity.
>
> **Anthony Landgren**
> Strategic Client Advisor

How do you expect your fleet size to change in the upcoming year?

50%	38%	6%	6%
Maintain fleet size	Add units slowly	Consolidate units	Grow fleet size rapidly

FLEET PRIORITIES

Cost discipline outweighs transformation in 2026 fleet priorities

Fleet leaders plan to be far more careful with spending. Cost savings have risen to the top, with 78% saying it is a top priority. This is up 17% from last year's mark of 61%.

Driver safety has also increased in importance, moving higher in priority rankings as organizations continue to focus on protecting their workforce and reducing risk-related costs. In contrast, ordering and replacement have become less of a priority (dropping 24% from last year's figures) as companies are choosing to delay replacements and keep fleet sizes steady.

While strategic initiatives such as sustainability and digital transformation rank lower overall, there is a modest increase in interest compared to last year, suggesting fleet leaders are selectively investing where near-term value is clear.

Mexico shows a slightly higher focus on decarbonization and sustainability backed by incentives and improved EV affordability.

What are your fleet priorities in 2026?

*Findings reflect that most respondents indicated more than one priority for the coming year.

Early AI adoption supports cost and safety gains

Interest in AI and digital tools continues to grow, but adoption remains early and highly pragmatic. More than half of fleet leaders (53%) are exploring AI, signaling that they see it as more supportive than disruptive.

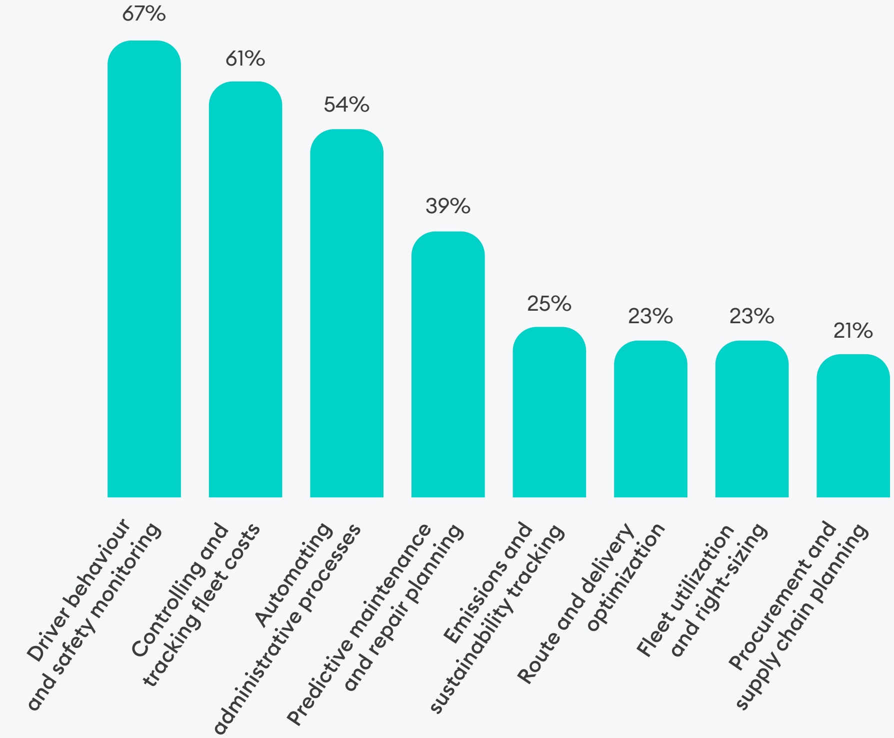
Larger fleets are leading the way, using AI to strengthen existing operations.

In practice, the most common use cases align closely with top priorities for 2026: improving driver safety (67%) and controlling fleet costs (61%). AI is being deployed tactically to enhance visibility, monitoring, and efficiency.

Barriers to broader adoption remain. Lack of in-house expertise, data security concerns, and implementation costs are frequently cited as obstacles. These constraints are particularly pronounced in Mexico, where cost sensitivity is higher.

Even as digital tools gain traction, broader economic forces continue to set boundaries for how quickly fleets can move.

In which areas are you currently using or considering using AI?



> Barriers haven't slowed AI interest, they've sharpened focus. Fleets are prioritizing AI where it delivers immediate value in safety, visibility, and cost management.

Kobi Eisenberg
President, Element Mobility and Autofleet

ECONOMIC FACTORS AND TARIFFS

Tariffs and trade policies drive more measured economic outlook

Tariffs, trade policies, and broader economic conditions are exerting a measurable influence on fleet operations across North America. More than half of fleet leaders (54%) report moderate to significant impact, reinforcing a conservative approach to spending and investment.

Smaller fleets tend to experience greater disruption, while regional differences are evident. Canada and Mexico, in particular, show stronger adoption of coping measures such as delaying replacements or extending asset lifecycles.

Overall, economic pressure is driving stronger cost discipline and a greater need for flexible planning.

> Evolving trade and tariff dynamics are driving a realignment across the North American automotive industry. In this environment, timely strategic advice is critical to help mitigate potential impacts on fleet operations.
>
> **Richard Bliss**
> Pricing and Strategic Advisor Director

To what extent have tariffs, trade policies, and economic factors affected your fleet operations?

36% — **Moderate impact**
Noticeable impact on costs, planning and procurement but manageable.

34% — **Minimal impact**
Minor cost adjustments or isolated supply issues with little disruption.

18% — **Significant impact**
Major impact on costs, planning, and procurement of fleets.

12% — **No impact**
No measurable effect on fleet operations or costs.

Adjustments to fleet procurement strategy by country

	Delayed or extended vehicle replacement cycles	Shifted sourcing to local or tariff-exempt suppliers	Incorporated pre-owned vehicles or refurbished assets	Revised financial model (lease vs. buy, flexible leasing or reimbursement programs)	Adjusted maintenance strategy	No changes made
Canada	30%	18%	6%	9%	12%	25%
Mexico	31%	6%	0%	20%	5%	38%
U.S.	22%	11%	4%	9%	13%	41%

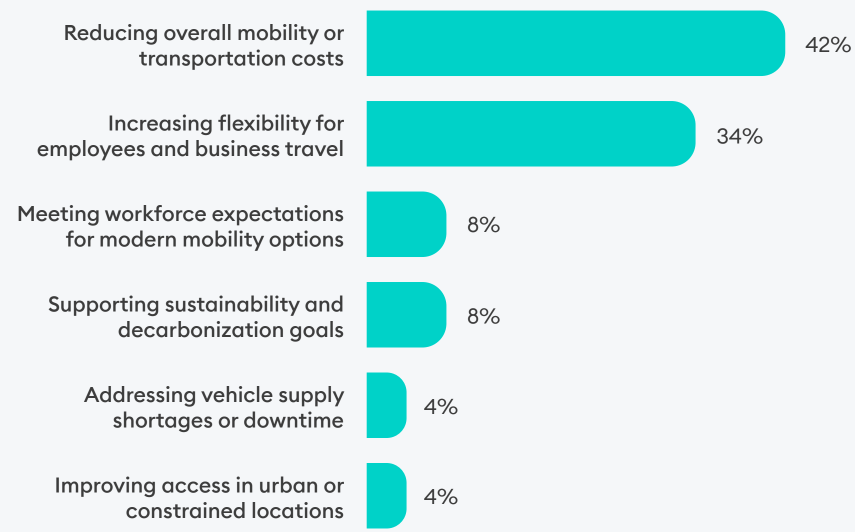
ALTERNATIVE MOBILITY SOLUTIONS

Redefining how we move

Alternative mobility solutions are gaining traction as fleets look for flexible, cost-effective options beyond traditional owned or leased vehicles. While many fleets are not yet using these solutions, a growing share is actively considering, piloting, or deploying them.

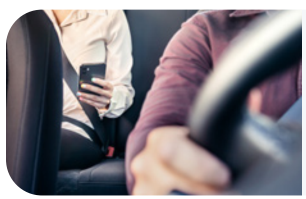
Short-term rental programs lead adoption, followed by ride-hailing services and mobility-as-a-service models. These options are most often leveraged to manage cost variability, increase travel flexibility, and address specific operational needs. Larger fleets show the highest intent to expand use of alternative mobility solutions, reflecting both scale advantages and greater complexity in travel and utilization patterns.

What is the primary driver for your organization to consider alternative mobility solutions?



Which alternative mobility solutions are in use or under consideration in your organization?

54% Short-term rental programs

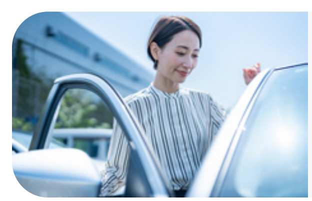


29% Mobility-as-a-Service (MaaS)

29% Mobility-as-a Service (MaaS) Platforms

21% Car-sharing

17% Public transit partnerships



8% Subscription-based solutions

ELECTRIFICATION AND SUSTAINABILITY PATHWAYS

Hybrid solutions are at the forefront of sustainable energy options

Fleet leaders continue to express interest in electrification, though progress remains incremental. A growing share of organizations are in the early planning stages of EV transition (19%), which represents an 11% increase from last year.

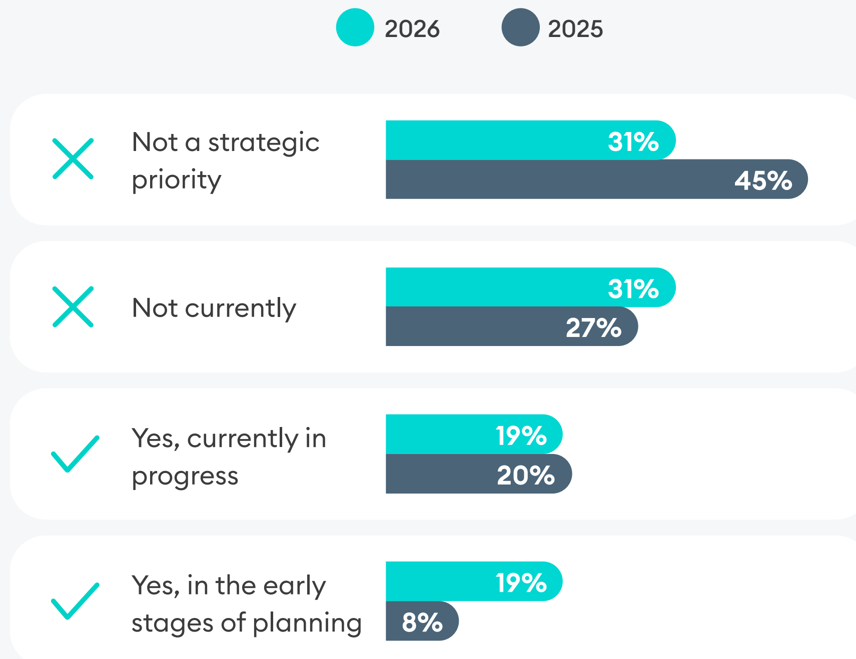
At the same time, hybrids and alternative fuels are emerging as preferred transitional solutions. These options offer a practical balance between sustainability goals, cost, infrastructure, and operational constraints.

Persistent concerns around charging infrastructure, range limitations, and total cost of ownership continue to challenge full EV adoption. As a result, many fleets are pursuing a diversified, phased approach to decarbonization.

> For many fleets, sustainability progress isn't a single leap. It's a series of practical steps that align with operational realities.

Avninder Buttar
Senior Vice President and
Head of Electrification

Have you started transitioning your fleet to electric vehicles?



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

Workforce and safety: The backbone of fleet and mobility

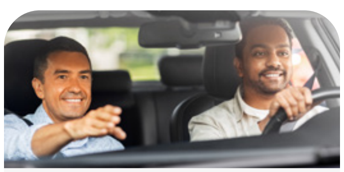
Workforce conditions across fleets remain generally stable, with most organizations (69%) reporting no significant hiring or retention challenges. Larger fleets, however, continue to experience slightly higher pressure. Safety remains a core focus, supported by widespread use of telematics and data-driven tools. More than half of fleet leaders (54%) are actively using telematics solutions, with many leveraging driver coaching programs to improve safety outcomes. Data and connectivity are increasingly seen as table stakes, supporting safety, efficiency, and informed decision-making across the fleet lifecycle.

> Technology is advancing rapidly and becoming more cost-accessible, unlocking new possibilities for fleets, powered by data, artificial intelligence, and vehicle connectivity.
>
> **Karla Yazmín González**
> Senior Strategic Client Advisor

Are you experiencing challenges hiring or retaining drivers and fleet personnel?

- **69%** — **No**: Not experiencing challenges
- **22%** — **Yes**: Some challenges
- **9%** — **Yes**: Significant challenges

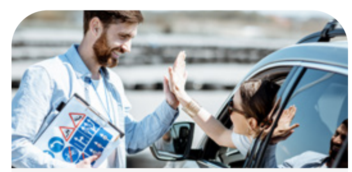
Which driver safety strategies are you prioritizing for 2026?



64% Formal driver safety and training programs

53% Telematics-based driving coaching

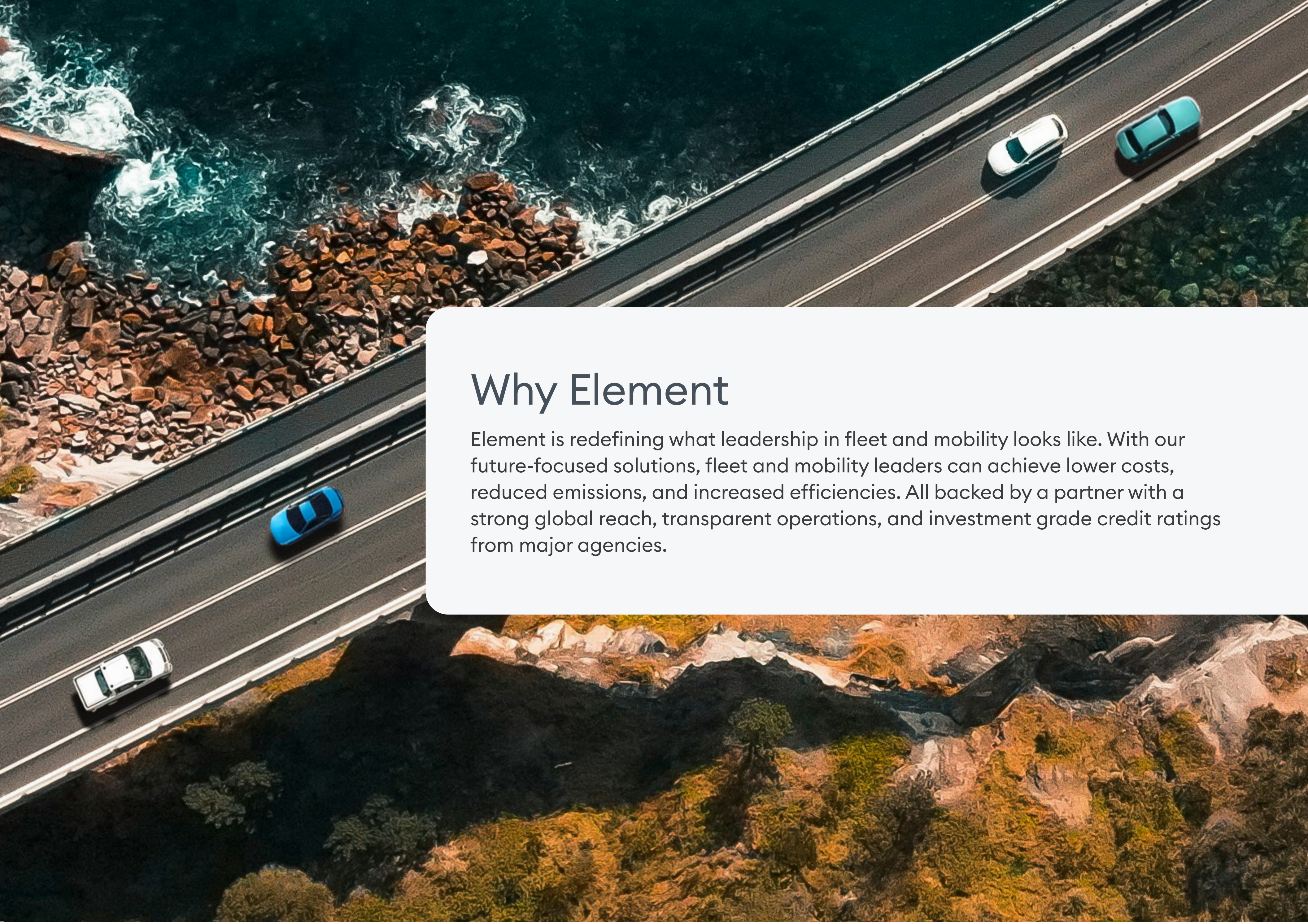
40% In-vehicle monitoring systems



32% Incentive or recognition programs for safe driving

21% AI-enabled driving assessments

element



Why Element

Element is redefining what leadership in fleet and mobility looks like. With our future-focused solutions, fleet and mobility leaders can achieve lower costs, reduced emissions, and increased efficiencies. All backed by a partner with a strong global reach, transparent operations, and investment grade credit ratings from major agencies.

$1.6 billion+

cost savings identified for clients in 2025

1.5 million

vehicles under management in 2025

1.7 million

vehicles across our broader mobility ecosystem

2,900+

team members around the globe

12 years+

average industry experience among our strategic advisors

element

element

About Element Fleet Management

Element Fleet Management Corp. ("Element") is the largest publicly traded pure-play automotive fleet manager in the world. As a Purpose-driven and client-centric company, we deliver value through scalable, sustainable, and technology-enabled fleet and mobility solutions. With operations across North America, Australia, New Zealand, Ireland, and a growing global footprint through our Mobility platform, we provide our clients with end-to-end fleet management solutions - from vehicle acquisition, maintenance, and risk management to route optimization, electric vehicle integration, and remarketing. At Element, we combine our fleet management expertise with advanced digital capabilities in order to unlock real-time data insights, dynamic planning tools, and advanced optimization that enhances the cost efficiency and vehicle productivity of our clients' fleets.

Curious how these insights can impact your fleet?
Learn more at **elementfleet.com**