



Fleet Streets

Accelerating changes to travel
and transport in the UK

The New World

There aren't many areas of life that have been left untouched by COVID-19. The pandemic is transforming existing routines and habits, policies and practices in every part of the globe.

As the UK national lockdown began and social distancing rules were introduced, the densely-populated urban centres of the UK were at the frontline of this transformation – especially when it came to transport and travel.

Following the instant drop in travel and traffic across the country, many city streets have changed: from traffic calming measures in Manchester to Margate, to expanded traffic-free spaces for walking and cycling in Bolton to Brighton. And while public transport and car journeys are still dramatically lower than before the crisis, van sales surged throughout lockdown due to the increased demand for home deliveries.

COVID-19 has accelerated changes that were starting to happen in every part of society, suggesting travel habits in the UK are likely to be changed forever.

For fleet managers, these changes provide both challenges to existing ways of working, but huge potential opportunities to rethink how to operate. While every company will have their own 'new normal', it's certain that flexibility will be critical in adapting to our changing cityscapes.

In our report, Fleet Streets: Accelerating changes to travel and transport in the UK, we'll discuss shifting travelling patterns, and how fleet operators can adapt and build for a successful future.

Travel and the national COVID-19 lockdown



73%

Road travel
down 73%



75%

Walking and
cycling down 75%



60%

Bus use down 60%



Shifting Travel Patterns

The scale of change caused by COVID-19 has seen huge disruption to the way people travel. Global road activity was almost 50% below the 2019 average by the end of March 2020, and in the UK, road travel has dropped to low traffic levels not seen since 1955¹.

As overall mobility dropped, so did commuting to work. Journeys on the London Underground fell by a remarkable 95%². Although some offices have opened with reduced capacity, concerns persist around their safety. People remain worried about travelling on public transport, with only 23% of consumers feeling comfortable about using public transport in London³.

As a result, lots of people have changed the way they travel. As social distancing limits public transport, more active modes of transport have flourished; cycling and walking have more than doubled to 20% and walking to work 10%. A quarter of 18-44-year olds expect to retain the new modes of travel they used during lockdown, and just one in three people expects a return to normal travel patterns post COVID-19, according to our research.

Private transport feels safer

Understandably, for many people the car has felt like the best transport option. Our research showed that although 58% of people felt comfortable returning to work, 60% of those individuals would be using a personal car to get to work. Only 6% of those taking a train felt comfortable, with this falling to just 4% for tube users.



Only **23%**
of consumers feel
comfortable using
public transport in
London currently



20%
of citizens started
cycling more in lockdown



37%
said they would consider
using a company car if they
were offered it in the future,
following the pandemic

1. <https://www.theguardian.com/uk-news/2020/apr/03/uk-road-travel-falls-to-1955-levels-as-covid-19-lockdown-takes-hold-coronavirus-traffic>

2. https://www.iea.org/articles/changes-in-transport-behaviour-during-the-covid-19-crisis?utm_content=buffer70338&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

3. <https://www.retailgazette.co.uk/blog/2020/08/london-mayor-sadiq-khan-urges-shoppers-to-return-to-west-end/>

The Changing Need for Mobility

It's clear that travel patterns have dramatically changed, along with people's perception of what's safe. Right now, it's difficult to tell which of these new behaviours will last long-term, or be short-lived, but The AA predicts that the UK will witness a permanent reduction in the demand for travel, because people have become more adept at working from home⁴.

What is clear is that a growing number of people would like the freedom to choose. A quarter of people would take a mobility pass if it were offered to allow flexibility with their transport options. One in ten would even choose an electric scooter if available – fewer than 1% use this currently.

The company car may also see a resurgence in popularity. Our research showed that nearly 37% of consumers would now consider using a company car following the pandemic, to enable them to travel in a safe way. Prior to the lockdown, many employees favoured a cash benefit.

These changes are likely to remain for some time to come, and fleet managers will need to consider these preferences when building out their future mobility plans.

4. <https://www.bbc.co.uk/news/science-environment-52137968>

“

People travelling up and down motorways just to hold meetings is inefficient, expensive and not good for the environment.

”

Edmund Kind, President of the AA



53%
of people no longer
commute to work



Only **15%** of workers
now head to the office 5
days a week





Embracing electric vehicles

COVID-19 has accelerated several changes throughout our cities, from increased pedestrianisation to new and safer cycle lanes. An important change seen for the fleet industry is a switch in public attitudes to electric vehicles. Following the environmental improvements in cities as a result of the national lockdown, many people do not want to go back.

Alphabet research found that 24% of consumers said an electric vehicle (EV) or plug-in hybrid vehicle (PHEV) would be their next vehicle, while 40% were strongly considering an EV or PHEV for their next car. A substantial increase from the end of 2019, when just 19% that said they would be likely to buy a battery electric vehicle as their next vehicle⁵.

However, not only do people want their private vehicles to support environmental benefits, they also want businesses to do so. Over half (55%) of respondents felt delivery vans should also be electric, while one in three said they would be happy to pay extra for an electric delivery vehicle. Electrification is increasingly important to brand credibility.

The change in public perception provides the perfect platform for fleets to address their alternative drivetrain strategy. Fleet managers must examine the duty cycle of every single vehicle in the fleet, consider how it is being used and leverage that information as the basis to reshape the fleet to drive a better understanding of the benefits of EVs and PHEVs. Not only are the running costs substantially lower for battery electric vehicles (BEV) compared to internal combustion engines, but there are also increased incentives available to help fleets save money by choosing electric.

As the push towards EVs gathers pace, the fleet industry remains in a transitional phase. This is the perfect time to consider how vehicles are used by your employees, customers and suppliers.

5. https://www.ocstrategy.com/media/2422/the-occ-global-automotive-disruption-speedometer_uk-online.pdf



55%
of respondents felt delivery
vans should be electric



24%
of people would get an EV
or PHEV as their next vehicle



Moving beyond COVID-19

There is a lot for fleet managers to consider as we continue to navigate the accelerated changes COVID-19 brings to transport.

Many company and employee travel patterns will not return to pre-pandemic levels, while for some businesses the need for fleet transport is greater than ever.

With an increased desire for private transport, providing company cars – as part of a shared fleet or dedicated to individual employees – may offer a great route to solving some of the changes to travel we are experiencing. It gets business back on the road, while also helping people to feel safe and comfortable when travelling.

Changes to air quality during lockdown have accelerated public desire for cleaner, quieter streets. The shift to electric has undoubted business cost benefits, but now also has the potential to deliver positive brand perception for companies that make the shift.

Businesses will need to build agility into their fleets to stay one step ahead. This is the time to consider how to invest to meet the changing needs of employees and customers and prepare for a flexible future.



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Alphabet can keep your business on the move

Alphabet can help you anticipate and meet rapidly changing travel requirements. We can support the mobility needs of your business during this challenging time and ensure that your employees feel safe and confident about travelling for work.

As the future of mobility changes, the way we finance, manage and use company vehicles, Alphabet is on hand to help you find the right solution:

- **AlphaElectric:** Our 360-degree solution designed to help you assess the suitability of electric vehicles for your fleet, support the introduction of EVs into your business and provide full in-life support services.
- **Financing:** We offer a selection of funding solutions for your fleet, such as contract hire, finance lease, sale and leaseback, contract purchase and credit sale, among others. We have a selection of funding solutions and will work with you to help you choose the right package for financing your fleet.
- **AlphaRent:** Our flexible rental solution provides city and electric vehicles, as well as prestige and commercial vehicles for both short term and longer-term rental vehicles. The dedicated fleet is suitable for daily hires, those waiting for a permanent vehicle, employees on a fixed term or probation period, or to temporarily increase the size of your fleet. Our experts are on hand to keep your employees on the move.



If you are interested in hearing more about what Alphabet can do for your fleet, please contact:

alphabet@alphabet.co.uk | 0370 50 50 100

Disclaimer: The information provided in this guide is for general information purposes only and is correct to the best of our knowledge at the time of publication (September 2020). Neither Alphabet nor the author can be held responsible for any actions or consequences arising from acting or refraining from taking any action, as a result of reading this.

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ALMAR 265.1 | Exp 07/09/2021