

Commercial Vehicle Rental Market Guide: Fourth Quarter 2023



Gearing Up for the Holiday Season

As we approach the year's final quarter, it's no secret that the commercial trailer and vehicle rental market is going through many changes. From recent trends, insights, and historical statistics shaping how businesses manage their transportation needs, this guide is your key to understanding the current state of the market and some strategies that can help you succeed.

Of course, there's one question on everyone's mind... "Will the historically busy season of Q4 pick up like before?" Factors like technology adoption, increased idle vehicle time, drops in rental utilization, vehicle availability, and changing consumer behavior have impacted the market as a whole. We'll delve into what to expect and what's been driving some of the ups and downs of transporting goods and materials throughout 2023.

The peak season is one of the most vital times for businesses to grapple with supply chain disruptions and a rapidly shifting competitive landscape. Use this guide to find expert tips and best practices for optimizing fleet needs and discovering valuable rental solutions to meet these challenges head-on, ensuring your business remains flexible and adaptable during the holidays.

Q4 Trends & Insights

Even though experts feel the freight market is bouncing back in Q4, being able to maximize fleet use in the upcoming months will significantly determine how to best manage supply and demand. Consider these factors as we head towards the holiday rush:



New Technologies

The industry has been increasingly adopting new digital technologies, connected supply chains, and data analytics to optimize operations, enhance route planning, and improve overall fleet efficiency. From telematics services to reliable online rental solutions platforms like COOP by Ryder, businesses shifting towards implementing and using these tools are setting themselves up to be better equipped for the future.



Decrease in Freight Loads

Since the end of 2022, the transportation industry has seen a drop of about 10% to 15% in commercial vehicle use across all regions and markets. With Q4 upon us, many insiders expect those percentages to increase between 12% to 17% as there is usually more activity around this time of year. Even though vehicle availability has improved in 2023, we still are not at a point where everybody can get the commercial trailers and vehicles they need. It's important for businesses to find effective and reliable solutions for sourcing rentals.

Q4 Trends & Insights



Increased Vehicle Downtime

Since the economy has slowed, there has been a shift towards trailers and trucks sitting idle for longer amounts of time. The uptick expected in the fourth quarter will provide opportunities for fleet owners to offset their costs by finding new and resourceful ways to maximize fleet utilization.



Rising Transportation Costs

According to the ATRI, in 2022, the average cost per mile rose to \$2.25, reaching a point 21.3% higher than the previous year. This year, that cost has remained high while businesses combat high fuel prices, interest rates, maintenance, and insurance costs. Proactively finding services and tools to lock in competitive and negotiated rental rates is crucial to take advantage of cost-saving strategies.



E-Commerce Still Growing

According to a study by eMarketer, mobile commerce is expected to make up 70% of retail e-commerce sales by 2024. This continued surge means companies will need to explore innovative rental solutions to fulfill deliveries locally and nationally.

Historical Industry Rental Trends for Q4

Based on historical rental trends over the last few years and topics covered earlier, we expect consumer spending to increase in these three industries – retail, food & beverage, and restaurants & bars. Because e-commerce, celebrations, and holiday shopping typically pick up at this time of year, commercial trailers and vehicles will be on every business's wish list.

Q4 Expected Rental Demand by Industry



1. Retail



2. Food & Beverage



3. Restaurant & Bars

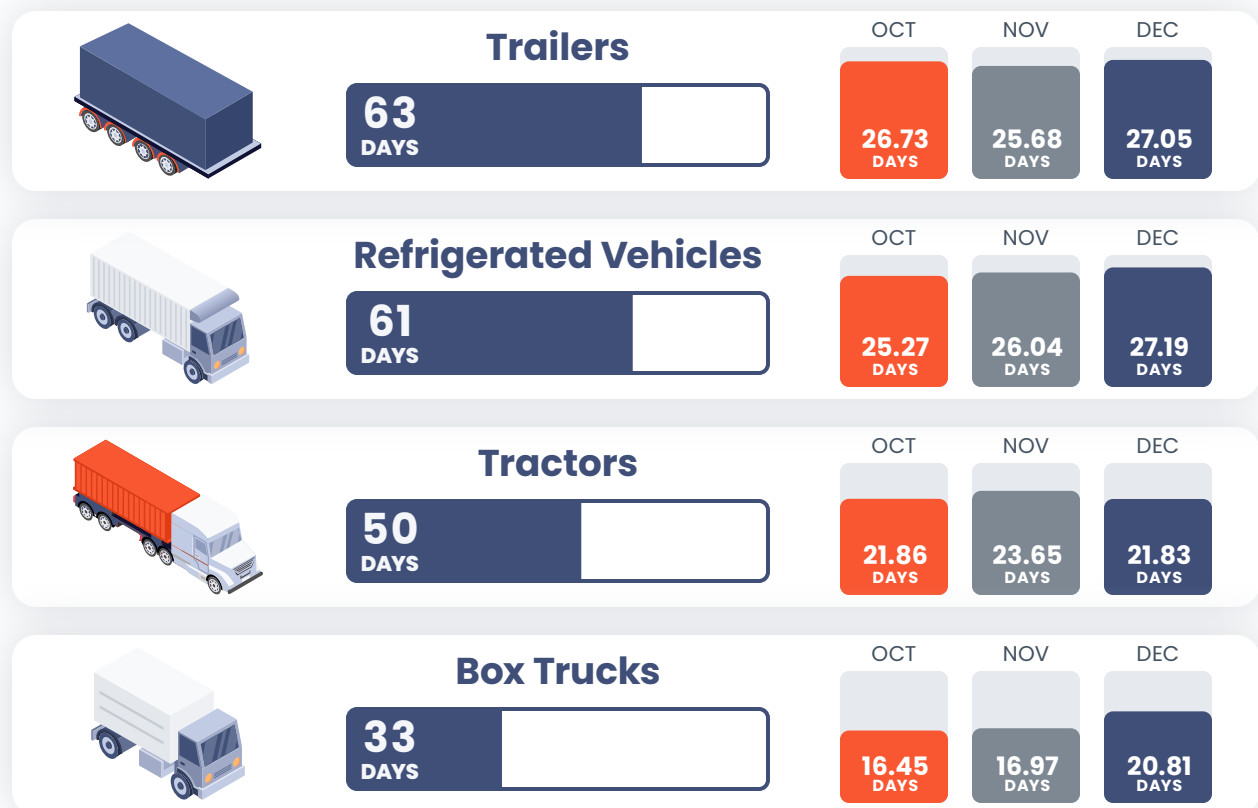
Over the next three months, ensuring inventory is distributed promptly or that excess goods are stored appropriately with storage trailers will play a vital role. Many businesses on COOP are already securing additional fleet capacity to meet their needs.



COOP Historical Rental Data

Our fleet optimization and rental solutions platform leverages historical data and analytics from our team of industry experts to provide insights and forecast expected trends to help businesses make informed decisions. Here are Q4's major rental trends for your business to keep in mind.

Average Rental Days by Vehicle Type in Q4 2022



Top Makes Rented in Q4 2022

1. 
2. 
3. 
4. 
5. 

378

Rentals that began in Q4 2022 were extended into Q1 2023 on COOP.

Most Popular Vehicle Type of Q4 2022



LARGE DRY TRAILER

Popular Vehicle Types in Q4

Dry Van Trailers

Dry van trailers are one of the most rented and versatile pieces of equipment. They offer ample space to accommodate a wide range of cargo, and they come with a variety of unique specs to transport everything from clothing to electronics and more. **Entering 2024, new dry van trailers are expected to be under the estimated build forecast by about 32,000 units.** More of these vehicles will likely need to be rented since manufacturers may not produce enough trailers that people ordered to buy.



Refrigerated Trailers

Refrigerated trailers will be in high demand as businesses in the food and beverage industry stock the shelves with traditional holiday foods in time for all the festive celebrations. Because refrigerated trucks can be difficult to source, it's essential to reserve them early.

Refrigerated trailers haul more than 75% of the food served in the US during the holiday season.

Tandem Sleeper Tractors

These powerful vehicles offer a unique combination of freight capacity when hooked up to trailers and comfortable sleeping accommodations for long-haul truckers. **On average, sleeper tractors are rented out for 50 days or more during the holiday season.** The need for extended travel times during this season, increased demand for foods, and the desire to maximize productivity at the end of the year result in the need for long-term rentals.



Solutions to Optimize Fleet Utilization



Rentals for Trailer Pool and Drop and Hook

Using rental trailers for trailer pools and drop and hook applications can help businesses save costs, improve efficiency, and reduce empty trailer miles. Trailer pooling and drop and hook freight involve companies sharing and utilizing a common pool of commercial trailers to optimize transportation and logistics operations. With COOP's extensive nationwide network of trailers, businesses renting trailers on the platform are finding a reliable go-to partner for unlocking more options to expand their supply network.



Trailers for Storage Use

Enclosed trailers are excellent for storing goods. They provide a portable storage solution that helps keep inventory and supplies clean, dry, and repositionable. Storage trailers solve for warehousing challenges and are a great temporary option for seasonal or other supply chain logistics. COOP offers trailers for storage use with the right features at the right price. Plus, easy pick up and drop off of these commercial storage trailers can also be coordinated to where they are needed.



Trailer Repositioning and Transfers

Strategically relocating trailers to areas with higher demand optimizes their utilization and minimizes transportation costs. This approach ensures that trailers are readily available where needed, reducing downtime and maximizing rental efficiency. Businesses on COOP have options for deliveries, load outs, and tow aways.



Creative Tech Solutions

Today's businesses benefit from data analytics for fleet maintenance, GPS for route planning, and online commercial vehicle rental platforms like COOP for flexibility, transparency, and increased operational effectiveness.

How COOP Can Help with Rentals

Having the right amount of commercial trailers and vehicles for your business can be challenging in today's market. COOP helps businesses stay more flexible with rental solutions to optimize fleet use and efficiently fulfill transportation needs.

As a Renter on the COOP platform, you can find availability of thousands of specialized vehicles across the nation. With unique specifications and features not commonly available at rental counters, you'll have more options to find the best vehicles.



As inflation concerns, spot rates, and freight rates keep changing, **many of the vehicles listed on COOP are priced using our Smart Rate tool.** It allows Renters to get more competitive rates by considering the age of a vehicle and market conditions at the time. You can also take advantage of negotiated rates and long-term discounts to secure various types of trailers, trucks, tractors, or vans.



The COOP platform has many vehicles with a wide variety of specifications to get the job done. For instance, a 53 foot dry trailer with E-Track can provide extra secure space combined when your business is hauling goods. Or, if you need something more specialized, like multi-temp refrigerated trailers, **we have options that aren't typically available at other rental companies.**



Expand your search area to source the vehicles you need. Even if they are further away, **COOP offers repositioning and transfer options on some vehicles to bring the equipment to your location.** It could unlock more opportunities for your rental needs.

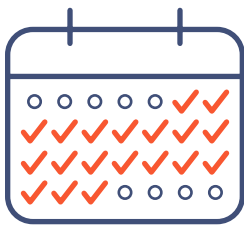
How COOP by Ryder Helps Your Business Earn Revenue

Whether you have a large or small fleet, think outside the box to improve utilization. Consider innovative solutions like renting out your commercial vehicles on the largest fleet optimization and rental solutions platform, COOP by Ryder, to offset transportation costs.

It's simple and safe to list your idle vehicles on the platform and rent them out to trusted businesses near you. Here are a few ways to improve your bottom line in Q4 with COOP.



If or when vehicles, especially trailers, become idle, you can use COOP as part of your business plan to reduce their downtime. **In Q4 of 2022, one business on the platform generated over \$300K renting out their vehicles to other companies.** They have listed over 40 units, which include a mix of trailers and trucks.



Make your vehicle more appealing by offering long-term discounts. This incentive keeps your truck competitive in the marketplace and attracts more Renters. **Combining discounts for long-term reservations can result in rentals of 30 days or more.**

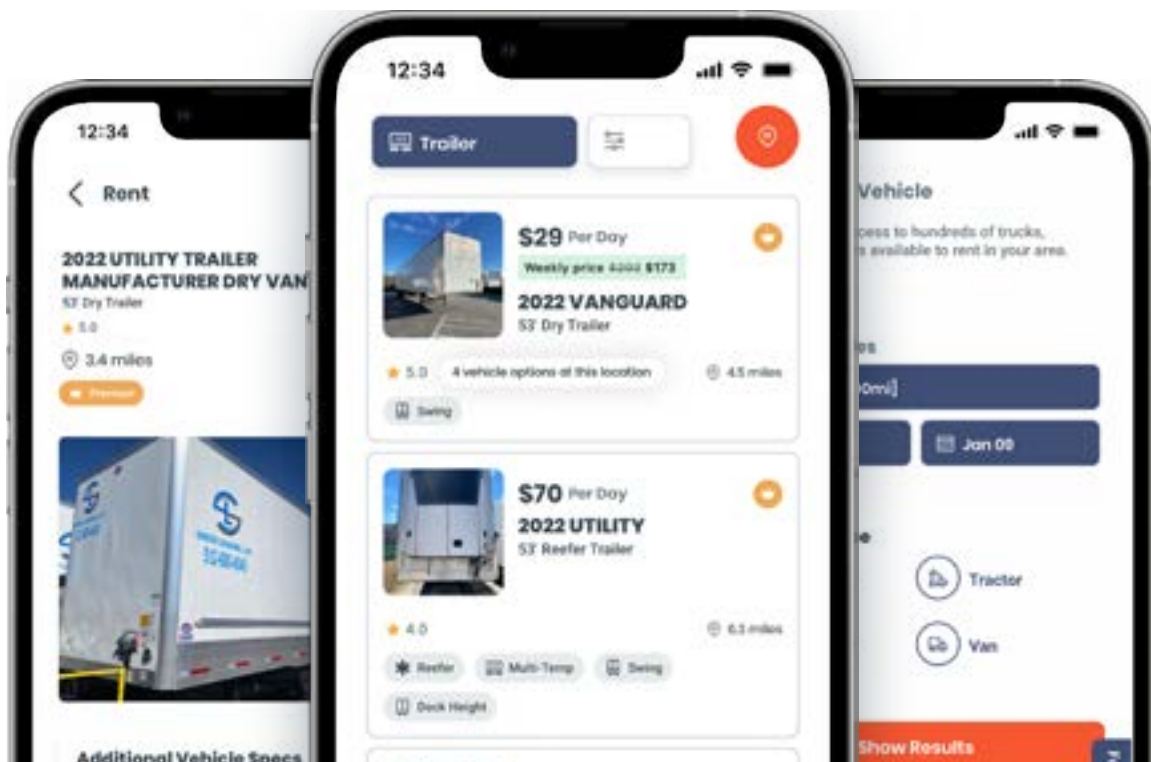


Last year, in Q4, trailers were rented for an average of 63 days. We expect this amount to be similar this year as Renters will seek vehicles for extended periods of time to meet the holiday demand. Companies with a large fleet of idle vehicles can profit in the fourth quarter if they rent out their vehicles to businesses needing them with a quick turnaround time.

What COOP by Ryder Can Do for Your Business

With COOP, businesses gain complete freedom to flex their fleet needs up or down to kick into high gear. With the help of our experts and our tech-driven fleet optimization and rental solutions platform, you can unlock innovative tools alongside a trusted partner. It's time to reimagine how to tackle challenges in the ever-changing transportation industry. Discover how so many companies nationwide are maximizing their fleet utilization with COOP.

For more information, visit coop.com.



Note Regarding Forward-Looking Statements: Certain statements and information included in this Market Guide are “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current plans and expectations and are subject to risks, uncertainties and assumptions. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties that could cause actual results and events to differ materially from those in the forward-looking statements including those risks set forth in our periodic filings with the Securities and Exchange Commission. New risks emerge from time to time. It is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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