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1on1 with visionary business leaders

Company: Mercedes-Benz Trucks Austria GmbH
Interview partner: Marcel Bethscheider
Position: Head of Marketing and Product Management

Digitalization and new power train technology will be key drivers in the commercial vehicles sector.

It's generally assumed that future mobility is more about personal than commercial transport. But it's easy to forget that the latter still makes a significant contribution to overall emissions figures. The commercial vehicles sector thus plays a vital role in decarbonizing transport as a whole. In this interview, we talk with Marcel Bethscheider, Head of Marketing and Product Management at Mercedes-Benz Trucks Austria, and discuss the strategies and vision guiding the truck manufacturer over the next few years. We also explore why partnerships in the broader transport sector are critical for medium-term business success.

htb: Let's start by looking at the current situation in the commercial vehicle and automotive manufacturing sector. What challenges do you associate with the mobility revolution?

MB: Firstly, thanks for the opportunity to chat with you and share insights with your readers! I'm really pleased that we're able to connect different industry sectors via this channel.

The current challenges are many and varied, so I'll just mention the two I consider to be the biggest. Digitalization is the first of these – a buzzword that goes hand-in-hand with improved efficiency in the transport sector. Vehicle manufacturers are being urged to lead the way with appropriate technology that will accelerate the digitalization process. This is very much in keeping with the move to autonomous driving, where we've already reached Level 2 (the latest generation) with our Active Drive Assist. That implies massive developmental challenges for the entire commercial vehicles sector – digitalization is just one aspect.

At the same time, alternative power trains are getting every manufacturer's full attention. But the focus has developed a little differently for each of them. At Mercedes-Benz Trucks, we're committing to electric drive – batteries, in other words – but also to fuel cell technology. So, it's the ongoing developments in digitalization and alternative drive trains that bring the most challenges.

“We've been working with diesel for over 125 years, but now we need to think differently and develop new technologies.”

htb: How much influence are the European climate goals, under which the transport sector is to be completely decarbonized, having on the transformation of the commercial vehicles industry?

MB: The EU goals, which require major steps to be taken as early as 2025, have certainly played an important role. They're having a major impact on the commercial transport sector, since a large proportion of goods are transported by road and rail. In Austria, the numbers are approximately two-thirds road and one-third rail. The former mostly implies heavy goods vehicles, which naturally affect carbon emissions. That's why decarbonizing commercial transport through long-lasting efficiencies is an important factor in reaching climate goals.

htb: Is the logistics and deliveries sector at all ready for the switch to eTrucks – or will that change be a major disruption?

MB: I'd say we're still at the very beginning of that journey, and it's important to make a couple of distinctions when it comes to this question. I'll try to explain what I mean in terms of journey distances. There's an interesting study from the VCÖ (public interest mobility and transport body) indicating that around 90 percent of domestic truck transport journeys in Austria are shorter than 150 kilometers. Manufacturers already have fully electric vehicles that can handle that range – and in that sense we are ready! But other factors also have a part to play: at the moment, when logistics businesses use diesel, costs are low and efficiency is high. That's why we need to reduce the 'Total Cost of Ownership' (TCO) in the future, so that we can make switching to electric attractive – and ideally cheaper than diesel has ever been.

“Unfortunately, high initial costs for vehicles, a charging infrastructure in need of expansion and subsidies that aren't yet TCO-oriented are making change more difficult from a business perspective.”

htb: Looking past business decisions that simply have to be made, is the sector taking these issues seriously or does it view them as a passing trend?

MB: I do indeed think they're being taken seriously. Especially by innovative companies striving for a zero-emissions commercial transport sector and who have embedded this agenda in all of their activities. We're seeing businesspeople who are both forward-thinking and forward-acting. All they're waiting for is the vehicle manufacturers to finally bring the vehicles onto the market.

However, there are some areas where this attitude is lacking. And we as vehicle manufacturers have a responsibility to educate and convince such market segments. Skepticism is not uncommon – businesses ask themselves similar questions to the ones consumers ask themselves when they're considering buying an eVehicle. How far can I go with this vehicle? Where can I charge it? We need to get them on board over the next three to five years, and show them that new transport technology works.

htb: You mention guiding both the industry and individual customers through this period of change. How important are partnerships when it comes to driving the mobility revolution in the commercial vehicles sector?

MB: Partnerships are important for manufacturers. In my opinion, they're essential if you want to make progress. All of the established OEMs have their areas of expertise – usually a century or more of experience in the diesel segment. When it comes to that, we know how to build good, efficient vehicles. But transformation to new drive train technologies costs a lot of money and swallows up so many manufacturer resources. That's where collaborations are a smart way to reach goals. For example, Daimler Trucks recently founded cellcentric, a Joint Venture with the Volvo Group.¹ The goal of the JV, set for 2025 and based on common know-how and financial backing, is to accelerate the integration of fuel cell systems in trucks and to work with stationary power sources.

Beyond that, we're also involved with other initiatives regarding fuel/charging infrastructure, including the H2Accelerate initiative. A coalition between Daimler Truck AG, IVECO, OMV, Shell, and the Volvo Group, the idea is to work together to build the necessary framework to get hydrogen trucks onto the market in Europe.²

htb: What's the essence of your vision at Mercedes-Benz Trucks Austria?

MB: We follow Mercedes-Benz's overall strategy for Europe, and adapt a few things for the Austrian market. Central to our vision is achieving (locally) emission-free transport by 2039. This means that from 2039, we'll only produce new trucks that are in this sense emission-free. The first steps here are battery-electric, in the shape of our new eActros model, which we plan to launch in Austria later this year. Following the standard model, the eActros LongHaul, a battery-electric truck with a range of around 500 kilometers, will follow in 2024. That's our roadmap for the next three or four years.

Beyond that, we also see hydrogen as one of the drive train technologies of the future. Specifically, when there's a need for flexibility on demanding long-distance trips and we're talking about a range of 1000 kilometers on a single fill-up. Shorter daily trips that don't carry a lot of weight can run on pure battery power, but for 'heavy' trips (in both senses of the word), a fuel cell is what's needed. We're also bringing the aforementioned eTrucks onto the market by the end of 2021 and actively looking for regional partnerships – for example with charging infrastructure operators or chambers of commerce – in order to tackle the future as efficiently as possible.

htb: That's a very good point! Who do you see as responsible for developing refueling/charging coverage to a comprehensive level?

MB: I don't think it's down to any one player. On the vehicle side, for example, I believe it's the responsibility of the manufacturers. But when it comes to refueling and charging infrastructure, fuel station operators can and should assume some of the burden at political level. Because economic viability remains a decisive factor in the transformation to eMobility, subsidies to ease the high up-front costs would also be helpful. There won't be any need to motivate business owners when it becomes realistic for them to be environmentally friendly at a similar cost to what they're used to. That's why we urgently need political involvement.

¹<https://www.cellcentric.net/>

²<https://media.daimler.com/marsMediaSite/en/instance/ko.xhtml?oid=48445607>

htb: On a practical level, what are the next steps for Mercedes-Benz Trucks in Austria?

MB: Apart from the product launches I've mentioned, it's important for us at Mercedes-Benz Trucks Austria to be set up to respond to any new developments and requirements. In our team of around 50 employees, we want to accumulate enough electric mobility know-how to be able to advise our clients on every aspect of the new technology. We've already created a consulting service, so that we can look after our customers as they change to eMobility – as well as new businesses looking to use alternative power trains from the very beginning. We'll help with everything from route analysis and operational requirements at the client's depot, all the way through to agreements with the network operators who'll need to supply the power, appropriate subsidies, and integration with existing fleets.

Of course, we also need to prepare our own service and dealer network for the changes to come. Our partners, who sell and maintain the vehicles, are currently going through certification processes in order to meet the requirements. They will be 'e-ready'! So, the next few months are very busy for us.

htb: Want to go out on a limb and make a prediction? How will the commercial vehicles sector develop in the next five years?

MB: It will certainly go electric – since even hydrogen works with an electric drive train. The question is how quickly everything will happen. Some studies suggest that only one percent of registered trucks in 2025 will run on battery-electric power, while others say the figure will be 25 percent. Personally, I think we'll land somewhere in the middle. Manufacturers are already being urged to hit the EU climate targets from 2025, and electric trucks are one way they can do that. We need the appropriate charging infrastructure to achieve this, and that's where partnerships and politics come into the picture once again.

"The time for waiting and seeing is over. From a local level all the way up to the European Union, we need to open conversations and drive the sector forward."

Have you ever seen the smile on a person's face when they've just driven with an electric truck for the first time? Believe me, it's a big one! That's why I think the transformation will happen quickly, just as it will with cars. I firmly believe that.

htb: What's the kind of headline you'd like to see when the mainstream press reports on mobility?

Mercedes-Benz Trucks: Sustainable, viable, locally emission-free commercial transport for the future.

htb: Without thinking about it too much, what are the first three things that come to mind when you hear the phrase 'future mobility'?

MB: Autonomous. Emission-free. Anytime.

htb: Thank you for these comprehensive insights into the commercial vehicles sector – it's been an interesting conversation! And we wish you every success in implementing your plans and your strategy.

This interview was conducted by Sabrina Wurzer (has-to-be gmbh) on May 17th, 2021.

About Mercedes-Benz Trucks Austria

Mercedes-Benz Trucks Austria is a fully-owned subsidiary of Daimler Truck AG. Its headquarters are in Eugendorf. Mercedes-Benz Trucks Austria is the importer for Daimler's trademarked Mercedes-Benz brand, as well as the Unimog and FUSO brands. With around 50 employees, the company coordinates operational, marketing and press activities in Austria. Sales run via the network of authorized dealers and the premises they operate. Service work is carried out by certified workshops. In 2020, the number of Mercedes-Benz trucks, FUSO Canter trucks and Unimogs registered in Austria totaled 945.

About has-to-be gmbh

has-to-be paves the way for sustainable mobility. With its comprehensive EV charging solution and innovative services, has-to-be provides everything companies require to enjoy success in the field of EV charging: from the scalable operation of charging infrastructure to the end-to-end management of worldwide mobility solutions.

More than 100 employees from ten nations work at the headquarters of has-to-be gmbh in the federal province of Salzburg and its offices in Munich and Vienna. Since 2019, the Volkswagen Group has been a strong strategic partner of has-to-be.

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